

St. Leonard's Hospice York

(A company limited by guarantee)

Registered Charity No. 509294

Company No. 01451533

Annual Report and Consolidated Financial Statements

for the year ending 31 March 2023

St. Leonard's Hospice York

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Report and financial statements for the year ending 31 March 2023

Foreword from the Chair and Chief Executive

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

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

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

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

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

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

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

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

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

David Dickson
Chair of the Board of Trustees

Emma Johnson
Chief Executive

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Report of the Trustees for the year ending 31 March 2023

Report of the Trustees

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

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2019).

Our purpose and activities

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

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

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

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

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

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

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

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Report of the Trustees for the year ending 31 March 2023

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

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

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

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

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

Patients

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

Partnerships

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

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Report of the Trustees for the year ending 31 March 2023

People

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

Finance

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

Income

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

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

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

Our volunteers

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

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Report of the Trustees for the year ending 31 March 2023

Financial review

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

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

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

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

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

Principal funding sources

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

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

Investment powers and policy

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

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

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

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

Reserves policy

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

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

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

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

Our approach to fundraising and compliance

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

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

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

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

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

External fundraisers

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

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

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

Responsibility towards the environment

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

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Report of the Trustees for the year ending 31 March 2023

Plans for the future

The Process

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

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

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

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

The Plans

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

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Report of the Trustees for the year ending 31 March 2023

Reference and administrative details

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

Our advisors

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

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Report of the Trustees for the year ending 31 March 2023

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)
Sandra Falcus
Prof Kate Flemming
Khushbu Goulden
Juliette Healey
Prof Mike Holmes
Eamonn Keogh
Jacqueline Myers
Dr Lavinia Norton
Tony Taylor
Melanie Kay (appointed October 2022)
Kate O' Connell (appointed November 2022)
Lorna Allan (appointed June 2023)
Dr Dan Cottingham (resigned June 2022)

Company Secretary: David Jones

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

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

Directors:	Juliette Healey	(Chair)
	David Dickson	
	Mark Shepherd	(resigned October 2022)
	Tony Taylor	(appointed October 2022)

Company Secretary: David Jones

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Report of the Trustees for the year ending 31 March 2023

Structure, governance and management

Governing document

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

Appointment of Trustees

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

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

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

Trustee induction and training

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

Organisation and governance

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

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

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

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Report of the Trustees for the year ending 31 March 2023

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

Related parties and co-operation with other organisations

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

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

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

The Hospice is also represented on:

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

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

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Report of the Trustees for the year ending 31 March 2023

Pay policy for senior staff

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

Risk management

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

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

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

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

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

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

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

Trustees' responsibilities in relation to the financial statements

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

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

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Report of the Trustees for the year ending 31 March 2023

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

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

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

Statement as to disclosure to our auditors

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

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

Auditors

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

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



David Dickson
Chair of Trustees

29/11/2023

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St. Leonard's Hospice York

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

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

St. Leonard's Hospice York

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

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 2023

Our responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

St. Leonard's Hospice York

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

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

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

Use of our report

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

Alan Sidebottom

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

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

St. Leonard's Hospice York

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

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

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

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

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

St. Leonard's Hospice York

Balance Sheets as at 31 March 2023

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

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

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

David Dixon

David Dixon
Chair of Trustees

Juliette Healey

Juliette Healey
Trustee

Company registration number: 01451533

St. Leonard's Hospice York

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

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

St. Leonard's Hospice York

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

1. Accounting policies

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

(a) Company information

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

(b) Accounting convention

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP(FRS 102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

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

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

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

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

(c) Going concern

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

(d) Group financial statements

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

(e) Income

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

St. Leonard's Hospice York

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

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

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

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

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

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

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

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

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

(g) **Investment income**

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

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

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

(h) **Fund accounting**

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

St. Leonard's Hospice York

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

(i) **Expenditure and irrecoverable VAT**

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

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

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

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

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

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

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

(k) **Operating leases**

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

(l) **Pensions**

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

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

(m) **Staff costs**

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

(n) **Investments**

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

St. Leonard's Hospice York

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

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

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

(o) **Tangible fixed assets**

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

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

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

Freehold land is not depreciated.

Fixed Assets and depreciation charges are treated as designated funds.

(p) **Stock**

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

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

(q) **Financial instruments**

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

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

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

(s) **Debtors and other assets**

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

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

St. Leonard's Hospice York

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

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

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

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

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

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

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

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

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

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

Critical estimates

Depreciation of tangible assets

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

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

Legacies

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

2. Legal status of the charity

St. Leonard's Hospice York is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is £1 per member (the charity's trustees are also its members).

St. Leonard's Hospice York

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

3. Financial performance of the charity

The consolidated Statement of Financial Activities includes the results of the charity's wholly owned subsidiary, which sells bought-in goods including Christmas cards.

The summary financial performance of the charity alone is:

	2023	2022
	£k	£k
Income	8,532	10,880
Gift Aid from subsidiary company	24	30
	<hr/> 8,556	<hr/> 10,910
Expenditure	(8,652)	(7,835)
	<hr/>	<hr/>
Net income/expenditure	(96)	3,075
Investment gains	(551)	472
Total funds brought forward	25,115	21,568
Total funds carried forward	24,468	25,115
	<hr/>	<hr/>
Represented by:		
Unrestricted income funds	10,140	10,373
Unrestricted designated funds	13,484	13,624
Restricted income funds	844	1,118
	<hr/>	<hr/>
	24,468	25,115
	<hr/>	<hr/>

4. Income from donations and legacies

	2023	2022
	£k	£k
Donations	787	2,015
Legacies	2,098	3,138
	<hr/> 2,885	<hr/> 5,153
	<hr/>	<hr/>

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 2023

5. Income from charitable activities

	2023 £k	2022 £k
<i>Grants and contract income from Integrated Care Boards:</i>		
Inpatient and day services	1,567	1,511
Hospice@Home	340	340
	<u>1,907</u>	<u>1,851</u>
<i>Other funding:</i>		
NHS Pension contributions paid directly by NHS England	114	97
COVID-19 grant paid by NHS England	-	458
Coronavirus Job Retention Scheme	-	17
Carer Support Service	63	-
Pharmacy Services	26	-
Project Echo	42	52
Total income from charitable activities	<u>2,152</u>	<u>2,475</u>

Included within the restricted funds is contract income of £340k (2022: £340k) from NHS Humber & North Yorkshire ICB through the Better Care Fund to fund the extended Hospice@Home service, which operates from 8am to midnight, seven days a week.

As the locally-appointed provider, the Hospice received £42k (2022: £52k) of funding as part of Project Echo from Health Education England through Humber Coast and Vale Sustainability and Transformation Plan to engage with other providers to support palliative care in non-hospice settings.

A 6.3% increase in NHS Pension Scheme employer contributions effective from 1 April 2019 was funded centrally by NHS England and is reflected in both income and expenditure on staff costs in these accounts. The cost of the increase was £114k (2022: £97k).

6. Income and expenditure from other trading activities - shops

	2023 £k	2022 £k
Income from the sale of donated goods	2,414	2,029
Income from the sale of bought in goods	63	64
Retail grant (through trading subsidiary)	-	35
Total income from shops	<u>2,477</u>	<u>2,128</u>
Costs of buying in goods	(34)	(30)
Staff costs	(1,059)	(977)
Other costs	(821)	(689)
Total expenditure on shops	<u>(1,914)</u>	<u>(1,696)</u>
Net profit arising from shops	<u>563</u>	<u>432</u>

St. Leonard's Hospice York

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

The wholly owned trading subsidiary St. Leonard's Hospice Enterprises Ltd is incorporated in England and Wales (company number 02589172) and donates all its profits to the charity under the gift aid scheme. St. Leonard's Hospice Enterprises Ltd Limited sells bought in goods, including Christmas cards.

The summary financial performance of the subsidiary alone is:

	2023	2022
	£k	£k
Trading Income	63	64
Retail grant	-	-
Cost of sales and administration costs	(39)	(34)
Net profit	24	30
Amount gift aided to the charity	(24)	(30)
Retained in subsidiary	-	-

The assets and liabilities of the subsidiary were:

	2023	2022
	£k	£k
Current assets	60	69
Current liabilities	(27)	(36)
Capital Loan	(20)	(20)
Total net assets	13	13
Aggregate share capital and reserves	13	13

In the year to 31 March 2023 a donation of £24k (2022: £30k) was made to the parent charitable company.

7. Income and expenditure from other trading activities – lottery

	2023	2022
	£k	£k
Income from lottery sales	398	387
Prizes	(37)	(37)
Other lottery costs	(159)	(155)
	(196)	(192)
Total lottery profits	202	195

St. Leonard's Hospice York

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

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

	2023	2022
	£k	£k
Fundraising events and activities	223	332
Provision of placements/training courses	21	10
Room hire	3	3
Catering for staff and visitors	15	10
Industrial injury claims for treating patients with mesothelioma	-	29
Generating electricity	4	3
Sponsorship income	19	-
Miscellaneous income	8	7
Total income from fundraising activities	293	394
Cost of fundraising events and activities	(158)	(151)
Surplus on fundraising events and activities	135	243

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

9. Investment Income

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

	2023	2022
	£k	£k
Dividends	339	399
Rents from investment properties	6	7
Interest on cash deposits	46	1
	391	407

St. Leonard's Hospice York

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

10. Restricted and unrestricted funds

Restricted Funds Year ended 31 March 2023	Movement in Funds			31-Mar 2023
	01-Apr 2022	Income	Expenditure	
	£k	£k	£k	
Hospice@Home service	977	374	(666)	685
Personalised Care Project	63	-	(26)	37
Hospice@Home vehicle	40	-	(15)	25
Workforce development	2	3	-	5
Project Echo	-	43	(43)	-
ACP Funding	8	-	-	8
Equipment Funds	11	2	(1)	12
Carer Support Service	-	63	(10)	53
Pharmacy Services	-	26	(26)	-
Drugs & oxygen	-	80	(80)	-
Homelessness Project.	8	3	(2)	9
Sundry other funds	9	6	(5)	10
	1,118	600	(874)	844

Restricted Funds Year ended 31 March 2022	Movement in Funds			31-Mar 2022
	01-Apr 2021	Income	Expenditure	
	£k	£k	£k	
Hospice@Home service	-	1,362	(385)	977
Personalised Care Project	-	63	-	63
Hospice@Home vehicle	-	40	-	40
Workforce development	2	-	-	2
Project Echo	-	52	(52)	-
ACP Funding	8	-	-	8
Equipment Funds	11	-	-	11
Service extension/ Covid Co-ordinator	72	-	(72)	-
NHS England COVID-19 grant	-	475	(475)	-
Drugs & oxygen	-	78	(78)	-
Homelessness Project	9	38	(39)	8
Sundry other funds	8	5	(4)	9
	110	2,113	(1,105)	1,118

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

Donations for the Hospice@Home service in 2022 were boosted by an exceptional £1m donation, and these funds continue to be used in 2023 to expand the scope and reach of the service over a planned 3-year period.

St. Leonard's Hospice York

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

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

The £40k donation received in 2022 was used in 2023 to purchase a new vehicle that is used to visit patients at the outer reaches of our communities; expenditure against this fund represents depreciation of the vehicle.

In addition to restricted donations, £340k (2022: £340k) of contract income was received from the Better Care Fund through Humber & North Yorks ICB to fund the Hospice@Home service.

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

The ICB also commissioned a new Carer Support Service during the year, which provided £63k of funding. This service will provide valuable breaks and respite for the carers and family of those requiring palliative end-of-life care.

The Hospice is the locally-appointed provider of education through the Hospice UK Project Echo initiative to palliative care providers in non-hospice settings. Heath Education England funds the salary and overhead costs of this project, which reached a conclusion in 2023.

Year ended 31 March 2023

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

During the year, the accounting policy for unrestricted funds was changed to allow for the designation of funds set aside for capitalised fixed assets and planned projects for redeveloping the hospice building, the retail estate and the digital infrastructure as outlined in note 1(h) above. The funds in the prior year are restated as below to align with the new accounting treatment:

Year ended 31 March 2022

	Movement in Funds				31-Mar 2022
	01-Apr 2021	Income	Expenditure	Designation	
	£k	£k	£k	£k	£k
Unrestricted Funds	21,471	9,303	(6,764)	(13,624)	10,386
Designated Funds					
Fixed Assets Fund				4,624	4,624
Building redevelopment fund				7,000	7,000
Retail development fund				1,500	1,500
Digital transformation fund	-	-	-	500	500
	21,471	9,303	(6,764)	-	24,010

St. Leonard's Hospice York

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

11. Analysis of expenditure including governance and support costs

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

Support Costs

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

St. Leonard's Hospice York

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

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

For the year ended 31 March 2022	Direct Costs £k	Support Costs £k	Governance Costs £k	Total 2022 £k
<i>Costs of raising funds:</i>				
Donations and legacies	476	115	1	592
Shops	1,370	324	2	1,696
Lottery	192	-	-	192
Fundraising and other activities	121	30	-	151
<i>Investment management costs</i>	81	-	-	81
<i>Expenditure on charitable activities:</i>				
In-patient care	3,090	676	5	3,771
Hospice@Home	912	220	2	1,134
Bereavement and family support	203	49	-	252
Total expenditure	6,445	1,414	10	7,869

Support Costs

	HR, Health & Safety and Volunteers £k	Finance and Information Systems £k	Administration £k	Total 2022 £k
Donations and legacies	54	30	31	115
Shops	153	85	86	324
Fundraising activities	14	8	8	30
In-patient care	319	177	180	676
Hospice@Home	104	57	59	220
Bereavement and family support	23	13	13	49
	667	370	377	1,414

St. Leonard's Hospice York

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

12. Net income for the year

This is stated after charging:

	2023 £k	2022 £k
Depreciation of tangible fixed assets	186	179
Auditor's remuneration:		
- Audit fees	13	10
- Non audit services	1	13
Operating lease rentals – land and buildings and equipment	195	186
Profit on disposal of fixed assets	(7)	-

Of the total audit fee, £11k (2022: £8k) related to the charity.

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

	2023 £k	2022 £k
Wages and salaries	5,583	5,170
Social security costs	522	465
Pension costs	646	587
	<u>6,751</u>	<u>6,222</u>

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

	2023	2022
£60,001 - £70,000	4	2
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	2
£110,000 - £120,000	1	-

The key management personnel of the charity and the group comprise the Trustees, the Chief Executive, Director of Clinical Services, Director of People, Director of Income Generation, Medical Director and Director of Finance & Corporate Services. The total employee benefits of the key management personnel of the charity including on-costs were £624k (2022: £589k).

The charity Trustees were not paid and did not receive any employee benefits from the charity or its subsidiary in the year (2022: £nil). There were no costs reimbursed to Trustees by St. Leonard's (2022: £nil).

No charity Trustee received payment for professional or other services supplied to the charity (2022: £nil).

NHS Pension Scheme

Eligible staff are able to remain in the NHS Pensions Scheme as if they were still in the employment of an employing authority. The NHS Pension Scheme is an unfunded occupational pension scheme backed by the Exchequer, which is open to all NHS employees and employees of approved organisations. The scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The scheme receives contributions from employers and employees to defray

St. Leonard's Hospice York

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

the costs of pensions and other benefits. The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. Details of benefits payable, and the basis for valuations under these provisions, can be found on the NHS Pensions website at www.nhsbsa.nhs/pensions.

In the year ended 31 March 2023, the charity made contributions to the NHS Pension Scheme totalling £375k (2022: £325k). Employer contributions were 20.68% and employee contributions were in the range of 5.0% to 13.5% of pensionable pay.

Other Pension Schemes

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

In the year ending 31 March 2023, the charity paid contributions to the schemes totalling £271k (2022: £263k).

14. Staff numbers

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

	2023		2022	
	Head Count	Full Time Equivalent	Head Count	Full Time Equivalent
Charitable services	134	100	128	97
Income generation, including shops	67	51	64	48
Support services	26	20	24	17
	227	171	216	162

15. Government grants

Income from government grants comprises grants from local Integrated Care Boards to support the provision of care; in 2022, they also included Retail & Leisure Grants under the Government's COVID-19 support package. More information is shown in notes 5 and 6 to the financial statements.

16. Taxation

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

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

St. Leonard's Hospice York

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

17. Tangible fixed assets The Charity and the Group

	Freehold	Leasehold	Retail Point of sale	Plant	Fixtures Fittings & Equip	Medical Equip	Motor Vehicles	Totals
	Property £k	Property £k	System £k	£k	£k	£k	£k	£k
Cost:								
At 1 April 2022	6,601	38	38	82	220	191	164	7,334
Additions	-	14	-	9	3	-	30	56
Disposals	-	-	-	-	-	-	(20)	(20)
At 31 March 2023	6,601	52	38	91	223	191	174	7,370
Depreciation								
At 1 April 2022	2,230	33	23	32	159	99	134	2,710
Charge for the year	121	2	8	7	18	14	16	186
On Disposals	-	-	-	-	-	-	(10)	(10)
At 31 March 2023	2,351	35	31	39	177	113	140	2,886
Net Book Values								
At 31 March 2023	4,250	17	7	52	46	78	34	4,484
At 31 March 2022	4,371	5	15	50	61	92	30	4,624

Freehold property includes non-depreciable land with a book value of £369k (2022: £369k).

18. Fixed asset investments

	The Charity and the Group	
Investments	2023 £k	2022 £k
Market value at 1 April 2022	14,909	14,516
Additions at cost	2,728	501
Disposal proceeds	-	(500)
	17,637	14,517
Realised and unrealised investment gains/(losses)	(551)	472
Investment management costs	(78)	(80)
Charges within valuation	-	-
Market value at 31 March 2023	17,008	14,909

The historic cost of investments at 31 March 2023 was £12,312k (2022: £9,559k).

St. Leonard's Hospice York

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

UK Investment Property

	2023	2022
	£k	£k
Market value at 1 April	105	105
Market value at 31 March	105	105

The property was valued by Malcolm Stuart Property Consultants LLP on 6 February 2020 on the basis of open market value. The Trustees have considered the fair value of the property with respect to recent market conditions and property transactions in the local area and are of the opinion that the professional valuation represents fair value at the balance sheet date.

The historic cost of investment property at 31 March 2023 was £16k (2022: £16k).

The total carrying amount of financial assets measured at fair value through income and expenditure for both the company and group was £17,113k (2022: £15,014k).

Investment in subsidiary

	The Charity	
	2023	2022
	£	£
Shares at cost	100	100

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

19. Stock

	Charity		Group	
	2023	2022	2023	2022
	£k	£k	£k	£k
Goods for resale	16	-	16	17

20. Debtors

	Charity		Group	
	2023	2022	2023	2022
	£k	£k	£k	£k
Trade debtors	34	26	34	27
Amount owed by subsidiary	33	54	-	-
Other debtors	69	267	69	267
Prepayments	140	123	140	123
Accrued income	2,300	2,869	2,300	2,869
	2,576	3,339	2,543	3,286

	Charity	
Amounts Owed by Subsidiary	2023	2022
	£k	£k
Due within one year	13	34
Capital Loan	20	20
	33	54

St. Leonard's Hospice York

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

The subsidiary has ceased to trade since the year-end, and the £20k loan will be repayable during the year ending March 2024.

21. Creditors: amounts falling due within one year

	Charity		Group	
	2023	2022	2023	2022
	£k	£k	£k	£k
Trade creditors	160	147	159	146
Taxes and social security costs	194	185	194	185
Other creditors	-	-	-	-
Accruals	47	52	49	55
Deferred Income	74	48	74	48
	<u>475</u>	<u>432</u>	<u>476</u>	<u>434</u>

Analysis of change in deferred income

	At 31 March 2022	Released during year	Deferred	At 31 March 2023
	£k	£k	£k	£k
Deferred Income	48	(48)	74	74

22. Contingent assets – legacy income

At 31 March 2023, the charity had been notified of its entitlement to 5 (2022: 3) residuary and life interest legacies with Probate granted, the value of which is uncertain due to either insufficient information being available or due to potential claims on the estate. At the date when the accounts were signed, no further information had been received and so these legacies have either not been accrued or not been accrued in full.

23. Analysis of group net assets between funds

Fund balances at 31 March 2023 are represented by:

	Unrestricted General Funds	Unrestricted Designated Funds	Restricted Funds	Total
	£k	£k	£k	£k
Tangible fixed assets	-	4,484	-	4,484
Investments	8,113	9,000	-	17,113
Current assets	2,518	-	844	3,362
Current liabilities	(476)	-	-	(476)
Total net assets	<u>10,155</u>	<u>13,484</u>	<u>844</u>	<u>24,483</u>

Fund balances at 31 March 2022 are represented by:

	Unrestricted General Funds	Unrestricted Designated Funds	Restricted Funds	Total
	£k	£k	£k	£k
Tangible fixed assets	-	4,624	-	4,624
Investments	6,014	9,000	-	15,014
Current assets	4,806	-	1,118	5,924
Current liabilities	(434)	-	-	(434)
Total net assets	<u>10,386</u>	<u>13,624</u>	<u>1,118</u>	<u>25,128</u>

St. Leonard's Hospice York

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

24. Post balance sheet events

As of 1st April 2023, the subsidiary company, St. Leonard's Hospice Enterprise, has ceased to trade.

25. Capital commitments (group and charity)

At 31 March 2023, capital commitments amounted to £nil (2022: £nil).

26. Operating Lease Commitments (group and charity)

At 31 March 2023, the group and the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows: -

	2023	2022	2023	2022
	Land & Buildings	Land & Buildings	Other	Other
	£k	£k	£k	£k
Due within one year	140	183	1	2
Due between two and five years	190	205	-	2
Due after 5 years	4	-	-	-
	<u>334</u>	<u>388</u>	<u>1</u>	<u>4</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 £3,151 (2022: £2,461), a software licence charge amounting to £500 (2022: £500) and interest amounting to £520 (2022: £520).

At 31 March 2023, St. Leonard's Hospice York was due £23k from St. Leonard's Hospice Enterprises Limited (2022: £34k). In addition to the trading balances St. Leonard's Hospice York was due an amount of £20k (2022: £20k) in respect of a loan in favour of St. Leonard's Hospice Enterprises Limited; the interest on this loan is secured against the assets of St. Leonard's Hospice Enterprises Limited and is charged at 2.5% above the base rate of principal bankers.

There were no transactions between the charity and its Trustees during the year that required disclosing as related party transactions under FRS 102.

St. Leonard's Hospice York

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

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

	2023	2022
	£k	£k
Net movement in funds	(94)	3,075
Adjustments for:		
Dividends interest and rents from investments	(391)	(407)
Depreciation charges	186	179
Profit on sale of fixed assets	(7)	-
Investment management charges	78	80
Decrease in stocks	1	2
Decrease/(Increase) in debtors	819	(1,415)
Increase in creditors	42	43
Net cash provided by operating activities	634	1,557

Analysis of changes in net funds

	At 31 March 2022	Cash flow	At 31 March 2023
	£k	£k	£k
Cash and cash equivalents	2,621	(1,818)	803

St. Leonard's Hospice York

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

29. Comparative Statement of Financial Activities

Consolidated Statement of Financial Activities (Including Income and Expenditure Account)
for the year ending 31 March 2022

	Unrestricted Funds £k	Restricted Funds £k	Total Funds 2022 £k
Income from:			
Donations and legacies	3,432	1,721	5,153
<i>Income from charitable activities:</i>			
Grants and contract income	2,083	392	2,475
<i>Income from other trading activities:</i>			
Shops	2,128	-	2,128
Lottery	387	-	387
Fundraising activities	394	-	394
Investment Income	407	-	407
Total income	8,831	2,113	10,944
Expenditure on:			
<i>Costs of raising funds:</i>			
Donations and legacies	592	-	592
Shops	1,696	-	1,696
Lottery	192	-	192
Fundraising activities	151	-	151
Investment Management Costs	81	-	81
<i>Expenditure on charitable activities:</i>			
In-patient Care	3,051	720	3,771
Sunflower Centre	-	-	-
Hospice@Home	749	385	1,134
Lymphoedema Service	-	-	-
Bereavement and Family Support	252	-	252
Total expenditure	6,764	1,105	7,869
Net income before other recognised gains	2,067	1,008	3,075
Realised and unrealised gains on investments	472	-	472
Net income	2,539	1,008	3,547
Total funds brought forward	21,471	110	21,581
Total funds carried forward	24,010	1,118	25,128