

St. Leonard's Hospice York

(A company limited by guarantee)

Registered Charity No. 509294
Company No. 01451533

Annual Report and Consolidated Financial Statements

for the year ending 31 March 2021

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St. Leonard's Hospice York

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St. Leonard's Hospice York

Report and financial statements for the year ending 31 March 2021

Chair's foreword

The Trustees' Annual Report and audited financial statements for the year ending 31 March 2021 provide a summary of the progress of our Hospice towards its strategic aims and its key objectives of delivering excellent care and support to our community.

The ongoing COVID-19 pandemic is still having a significant impact on the lives of our patients and their families. The last 18 months has been probably the most challenging and demanding time in the 36-year life of St. Leonard's. Our amazing team has done a fantastic job in delivering the best possible patient support and I read from the many letters we receive from our patients' families, how much you all appreciate the exceptional contribution of St. Leonard's staff.

On behalf of my fellow Trustees I would like to thank you all for your ongoing commitment to ensure our Hospice continues to be able to deliver the best care and support to patients and their loved ones.

The backdrop of ever-changing laws and guidance has tested the adaptability of our management and staff, and they have responded magnificently.

The Hospice has always kept the patient at the centre of its decision-making and one key shift in patient services this year has been the resetting for care provision. While the pandemic has necessitated a reduction in inpatient care and the closure of most outpatient services during the year, the provision of care in patients' own homes has expanded. The number of referrals for the Hospice @ Home service has grown significantly, and it will continue to be a key part of our Hospice's services, as we adapt to patients and their family's needs in the coming years.

In view of the unprecedented challenges faced, the Board is pleased with the St. Leonard's Hospice financial performance this year. We are most grateful for the significant Government grants related to COVID-19 that mitigated the losses arising from the enforced closure of our shops, and many fund raising activities helped the Hospice achieve a small operational surplus for the year. The Hospice's strong reserves position at the year-end is the result of a history of prudent financial management and investment in a range of new services requested by the community we serve. The Board continues to review its reserves to best use them to serve the developing needs of patients and the local community.

2021 will mark the retirement from the Board of Alistair Duncan. Alistair has provided tremendous support to the Hospice over 12 years as a Trustee, and the Board would like to record its thanks for his significant contribution in that time.

In May 2021 we also saw the departure of Karen Johnson, our Deputy Chief Executive and Finance Director, who served our hospice at the highest possible level for so many years and really made a difference in ensuring we arrived at the start of the COVID-19 pandemic in an extremely strong financial position.

In the face of an exacting year, on behalf of the Board of Trustees I would like to thank our donors for their ongoing exceptional generosity and our Hospice's staff and volunteers for their unwavering commitment to the highest standards of holistic patient care.

David Dickson
Chair of Trustee

St. Leonard's Hospice York

Report and financial statements for the year ending 31 March 2021

Chief Executive's foreword

I don't think it would be an underestimation to state that the last year has been the most challenging of my professional career and the most challenging for St. Leonard's Hospice since it admitted its first patient in 1984. The continued demands of the COVID-19 pandemic have meant unprecedented change and challenge across all our teams and as we move forward each month, our workforce is becoming more fatigued.

Looking back on our achievements in 2020/21 I have continued to be amazed by the innovation and commitment to going the extra mile to support the patients and families who need us. We have continued to work in a collaborative way with our partners to further develop our understanding of the future demands and opportunities for our clinical services and ensure that we are well placed to develop services to meet patients' needs. We have developed new services and responses to ensure we have been able to respond to the ongoing challenges as a partner within the health system.

We have continued to work on our strategic aims and in particular have focussed on strengthening leadership in key areas and developed a deeper understanding of how a values-based approach will support future development of the organisation. We have continued to develop our longer term focus on achieving financial sustainability expediting some of our plans and aspirations in response to the ongoing COVID-19 pandemic.

The COVID-19 pandemic has continued to challenge us both operationally and strategically, but we have been able to embed changes in practice and move quickly to implement new technology and ideas across all our areas. We are continuing to work more flexibly than ever before with a focus on engagement and communication with our staff, volunteers and supporters/donors.

The continued closure of our shops and cancellation of fundraising events created a short term challenge both in terms of our income and also for our staff, many of whom were furloughed for prolonged periods. We were supported by grants from the UK Government through the year; I also wish to acknowledge the tremendous support from our local population and the innovative ways our income generation and retail teams have found to engage with donors and ensure our income streams are protected for the future.

At the time of writing this foreword it feels appropriate to acknowledge some changes in senior staff across the organisation and in particular the resignation of Karen Johnson as our Deputy Chief Executive in May 2021. As a member of the Senior Management Team Karen provided leadership, expertise and knowledge that will be greatly missed across the organisation.

As we continue to see the impact of COVID-19 on our local community, staff, volunteers and supporters we are focused on looking forward, on achieving our ambitious aims to benefit the people of York and surrounding area and with a sense of pride in what we have accomplished this year and excitement at what we will achieve in the future.

Finally, on behalf of the Senior Management Team I would like to thank our Trustees, staff, volunteers, donors and supporters for their continued commitment and support for St. Leonard's Hospice, without which our work would not be possible.

Emma Johnson
Chief Executive

St. Leonard's Hospice York

Trustees' Annual Report for the year ending 31 March 2021

Report of the Trustees

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2021, which are also prepared to meet the requirements for a directors' and strategic report and financial statements for Companies Act 2006 purposes.

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

Our purpose and activities

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

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

St. Leonard's Hospice cares for patients who have advanced, progressive and life-limiting illnesses. It is made up of people, both paid and voluntary, who use a wide variety of skills to the benefit of the patients and their families. Our aim is to maintain and enhance their quality of life. We place the patient at the centre of everything we do. We recognise that patients have the right to be consulted and to be involved in decisions about their care.

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

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

We aim to provide a supportive and caring atmosphere where everyone is valued.

Through participating in research and education we are open to receiving from others, the benefit of their expertise and experience and in turn we are committed to sharing the knowledge and skills we have learnt.

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

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Trustees Annual Report for the year ending 31 March 2021

The pandemic affected how clinical services were delivered in the year. Specifically, we limited the capacity of the In-Patient Unit to 16 beds to adhere to Infection and Prevention Control (IPC) guidance; we also suspended the Sunflower Centre services (the day hospice out-patient facilities) and the lymphoedema clinics. We continue to provide bereavement

services (via telephone support) and Hospice@Home services, and we are now a Project ECHO (Extension of Community Healthcare Outcomes) teaching/training hub. We also initiated new services including a Single Point of Coordination and a post to support our Homeless Community.

During the year ended 31 March 2021, St. Leonard's cared for 250 (2020: 282) in-patients and their families, providing in total 3,443 (2020: 5,293) days of specialist palliative care to patients. In-Patient services were impacted by patient choice as a result of visiting restrictions. Occupancy was lower than previous years as more patients chose to be cared for in their homes surrounded by family.

Our Hospice@Home service, which works collaboratively with other primary care services and enables patients to remain in their own homes, received over 660 referrals during the year (2020: 500).

The Bereavement service continues to develop and explore new ways of supporting families following the death of a loved one. We moved to a telephone support service throughout the pandemic which meant that we have continued to be responsive. We received 65 (2020: 86) self-referrals during the year resulting in 893 bereavement telephone support sessions.

St. Leonard's is recognised as a hospice that provides teaching, and we continued to provide training, support and supervision for student nurses and medical students through the pandemic.

We launched Relias as an e-learning platform during the pandemic providing all hospice staff with access to mandatory training, clinical skills updates and specialist training, mentorship updates and updates on national agendas such as the General Data Protection Regulation.

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

Patients

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

Partnerships

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

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People

- Build a leadership and staff team that is fit for the future
- Ensure that the Hospice is an employer of choice
- Broaden and deepen the provision of staff wellbeing
- Develop an organisational culture of learning and engagement

Finance

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

Income

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

During the year ended 31 March 2021, our key achievements were:

- We responded to the ongoing demands of the COVID-19 pandemic, continuing to deliver patient care and support to a high standard both within the Hospice on the IPU and in the community through our Hospice@Home service
- We developed new services in response to patient need including Single Point of Coordination and a Complex Coordinator post to support our Homeless community.
- In partnership with the Clinical Commissioning Group (CCG) we developed Fast Track provision for those requiring care at home nearing the end of life
- We worked with Health and Care partners to ensure that those patients requiring End of Life services had a voice and worked collaboratively with other organisations to ensure that IPC risks were assessed and managed. This included collaboration with York Hospital's Clinical Nurse Specialist (CNS) team, weekly partnership calls with Health and Care leaders as well as joint working with the CCG that resulted in additional income being identified to grow services.
- We maintained our bereavement support offer with an innovative telephone support service, maintained by our bereavement support volunteers
- We successfully implemented a collaborative programme of education through the Hospice UK ECHO initiative with Saint Catherine's Hospice, Scarborough. The ECHO team successfully provided Infection Prevention and Control (IPC) education to all Care Homes across the Vale of York and Scarborough and Ryedale as part of the local CCG's target.
- We worked flexibly and responsively across services to ensure that patient need was met. Our doctors provided support to community patients and nursing staff worked across IPU and Hospice@Home.
- We strengthened clinical leadership across the IPU, Hospice @Home and Family Therapy teams as part of our recovery plans

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- Our patient safety lead now reports on all aspects relating to patient safety including comparisons based on the Hospice UK benchmarking data. Our reporting culture is embedded across clinical services and we provided reports to the Care Quality Commission (CQC) and CCG following any investigation of serious incidents.
- We continued to see an increase in incident reporting through the use of specific health & safety software and have developed a robust policy for management of risk and governance in the Hospice
- We successfully implemented an online training system (Relias) for staff across all areas of the Hospice

COVID-19

- We worked as part of the wider health and care system to develop services that are responsive to patient need and support the significant increase in demand as a result of COVID-19. Specifically, for St. Leonard's Hospice this has meant:
 - The development of a collaborative community service that saw our Hospice@Home service continue to temporarily partner with the York Trust Community specialist team
 - The development of a single point of co-ordination and access for our services (IPU and Hospice@Home) and those provided by continuing health care and community services for end of life care patients
 - The use of St. Leonard's Hospice ECHO technology to support communication, education and training across the Vale of York Care Homes and GP practices
- We re-opened our retail outlets and donation centre in August 2020, but experienced further closures during winter/spring 2020/21 in response to changing Government restrictions.
- Our IPC Management was scrutinised following an outbreak of COVID-19 on the IPU, following which we were commended on our robust approach to patient safety
- We received positive feedback about our response to COVID-19 as part of CQC's 'new style' telephone inspections that took place on 1 March 2021.
- We successfully launched an EBay shop for the Hospice.
- We cancelled or postponed all fundraising events due to take place before September 2020 and held virtual events where possible to maximise income generation opportunities.
- We significantly improved our confidence and capability for flexible working, which is now embedded across our organisation.

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Our volunteers

The charity gratefully accepts the unstinting help of 227 (2020: 276) volunteers in the Hospice and 181 (2020: 353) volunteers in its shops. Volunteers undertake a variety of roles at St. Leonard's and without them we would not be able to continue to provide the high standard of care to patients and families without employing additional staff. We saw a reduction in the number of volunteers during the last year as a result of the ongoing pandemic – we had to pause volunteering in order to protect those who were vulnerable but also in order to ensure we could comply with the regulations and requirements for social distancing. We would like to thank all our volunteers for their continued loyal support and service and acknowledge that the last year has been challenging.

Financial review

The Trustees are satisfied with the charity's financial performance for the year ended 31 March 2021.

The results on the Consolidated Statement of Financial Activities show an operating surplus of £256,718. Appreciation of investment assets increased the surplus to £2,512,689.

Total income was £692,687 (10.1%) higher than in the previous financial year. The enforced closure of shops due to the COVID-19 pandemic severely impacted retail sales, although this was more than offset by one-off government grants (£1,595,895); an improvement in legacy income (£489,717) accounted for the bulk of the overall increase in income.

Annual expenditure increased by £169,134 due to the significant growth (£324,117, 54.9%) in provision of Hospice @Home services, which was only partially offset by the enforced reduction in day-care services provided by the Sunflower Centre.

Despite the challenges imposed by the pandemic during the year, St. Leonard's remains in a strong financial position. The Hospice is fortunate to benefit from significant ongoing legacy income. However, due to its nature, legacy income is subject to significant year on year variation; dependence on legacy income continues to be a risk to long term financial sustainability, which the Trustees are seeking to mitigate through income generation strategies.

The anticipated fall in voluntary income arising from the COVID-19 outbreak did not appear to impact the Hospice in the year, with a very welcome growth in donations compared to the prior year. COVID-19 grants provided a significant benefit in 2020/21 but ceased early in the financial year 2021/22; however, initial signs of strong growth in retail income in 2021/22 give hope that shop sales will return to pre-pandemic levels.

The trading subsidiary company, St. Leonard's Hospice Enterprises Limited, continues to sell bought-in goods and its trading income is recognised in the group results. The Trustees are pleased with its contribution to the funding of the Hospice. During the prior year a number of the qualifying retail outlets became eligible to receive COVID-19 related Retail and Leisure Grants to support the trading activities of the group, and £138,066 of this grant income was recognised in 2020/21 in accordance with the accounting policies.

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Principal funding sources

With the exception of the funding that it receives from Clinical Commissioning Groups (CCGs) and other NHS organisations, St. Leonard's is entirely dependent on the support of the general public through donations, community fundraising, legacies, the weekly prize draw, fundraising events and charity shops.

In this financial year, the Hospice received funding totalling £1,693,302 (2020: £1,760,859) from Clinical Commissioning Groups towards the cost of patient care. This included £340,000 (2020: £340,000) from the Vale of York CCG and City of York Council Better Care Fund to meet the cost of the extended Hospice@Home service, which operates every day up until midnight, including weekends and bank holidays. The CCG will continue to fund the extended service in 2021/22.

£1,595,895 (2020: £nil) was received from government funding through specific hospice grants from NHS England and the government's Job Retention Scheme (furlough).

Investment powers and policy

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

St. Leonard's Hospice does not invest in companies that are significantly engaged in, i.e. derive more than 10% of their revenue or profits from, the manufacture of tobacco products. Fund managers appointed by the Hospice are encouraged to actively engage in Environmental, Social and Governance (ESG) issues.

The Hospice's investments are overseen by the Finance & Investment Committee. Surplus funds are invested in the Sarasin Endowments Fund Class A inc., the BlackRock ICS Sterling Liquidity Fund (closed during the year), the CCLA COIF Charities Deposit Fund or the Ruffer Charity Assets Trust. Investment funds rose in value by £2,255,971 (2020: fell by £345,805) during the year as a result of the recovery in world stock markets following the sharp fall in March 2020 triggered by the COVID-19 pandemic. Performance during the year compared favourably to the strategic benchmark.

Reserves policy

St. Leonard's Hospice aims to maintain its free reserves in the range of 12 to 24 months forward expenditure, with 18 months being the target level. In setting its Reserves Policy, the Board of Trustees has considered the guidance in 'CC19 Charities and Reserves' and taken its strategic aims into account. To support its strategic aims, the Board may establish designated funds as appropriate for planned significant capital expenditure projects and new service initiatives.

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

- the nature of services provided and the need to provide stakeholders with reassurance about the continuation and development of services for the long term
- the charity's dependence on and the volatile nature of legacy income
- its working capital and cashflow requirements
- the generally fixed nature of its service delivery costs
- the use of reserves to fund planned deficit budgets should this be required or to fund running costs if income fell short of expenditure in a particular year
- a contingency for significant unplanned expenditure
- a contingency for a significant unplanned shortfall in voluntary income and/or the proceeds of income generation activities.

The Reserves Policy is reviewed by the Board of Trustees on an annual basis.

The current level of funds held by the charity at the year-end amounted to £21,580,783 (2020: £19,068,094) and included restricted funds of £109,726 (2020: £79,243). After deducting restricted funds and funds held as functional assets, the charity had free reserves of £16,714,495 (2020: £14,123,163). This represents 26 months' forward expenditure, which is an increase of 4 months compared to the position at 31 March 2020, mainly attributable to the exceptional increase in value of the investment portfolio.

Income generation activities

The team has worked hard, innovating across all areas of fundraising in order to fund as much care as possible. We were very conscious that at a time of reduced income, we were facing increased demand for our services and were on the frontline against COVID-19. We have been humbled by the support of the local community.

The outbreak of COVID-19 meant that the Income Generation team had to quickly adapt to the cancellation of events, in line with implementing our updated fundraising strategy, with a focus on growing donations, regular giving, legacies, and our lottery – all of which were resistant to the disruption of the pandemic.

The fundraising team's focus was not only on mitigating the impact of the pandemic on income by launching the emergency 'Unite and Protect' Campaign and virtual events, but also long-term to ensure we have the right teams, processes and fundraising offers in place.

Notable fundraising successes included converting two key events (Midnight Walk and Light up a Life) to virtual events, which received positive feedback. Indeed, Light up a Life was the most successful Light up a Life in gross terms.

Income loss has been primarily mitigated through a series of postal appeals. We also had great success with our Rainbow of Ribbons campaign, which performed extremely well, bringing in twice its target.

We had to rethink how we operate St. Leonard's Hospice Lottery. During the various lockdowns, we ceased our house-to-house cash collections that historically accounted for 25% of income. In order to mitigate this loss of income we worked with our agency Starvale to convert cash players to direct debit or cheque. We also relaunched the Weekly Lottery and have looked to new ways to market this.

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Retail performance in 2020/21 was inevitably seriously affected by the closure of our shops during successive lockdown periods and restricted trading following reopening. We made the difficult decision to close two shops, but were delighted that we could redeploy all staff with no redundancies. Our current retail activity will develop in line with the requirements of social distancing and also changing customer behaviour.

We have seen early success with our newly-launched EBay shop, which has provided a vital source of retail income during shop closures; we will continue to develop our ecommerce operation.

Our approach to fundraising and compliance

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

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

We continue to be registered with, and pay an annual levy to, the Fundraising Regulator and are fully compliant with the Fundraising Code of Practice. We comply with all legislative requirements, but also strive to adopt best practice in all that we do; we constantly review this approach.

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

St. Leonard's has an effective, open and accessible complaints policy, details of which can be found in our reception, within our shops, and on our website. We received no reportable complaints (2020: none) relating to our fundraising practices in the year ending 31 March 2021.

External fundraisers

We only use the service of one external provider to fundraise on our behalf, Starvale Management and Technologies Ltd (Company No: 3723339), who manage and promote the St. Leonard's Hospice Lottery. Plans for recruiting players to the St. Leonard's Hospice Lottery are discussed in advance in consultation with Starvale to ensure compliance and best practice.

Starvale is licensed and regulated by the Gambling Commission to promote non-remote and remote lotteries and also to supply, install and adapt Gambling Software to promote a lottery. All of the Starvale representatives receive Gambling Commission training (inclusive of vulnerable persons training) and are trained in and adhere to the Fundraising Regulators Rule

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Book for Face to Face Fundraising. Starvale is audited annually on the Gambling Commission subset of ISO27001:2013. The audit report is available on request.

There were no reportable complaints (2020: no complaints) relating to the activity undertaken by Starvale on behalf of the Hospice. A complaints log is sent to St. Leonard's Hospice on a weekly basis.

In the year ending 31 March 2021, 49.8%. (2020: 50.4%) of the proceeds from weekly draws and seasonal super draws were used to fund the work of the Hospice.

Responsibility towards the environment

St. Leonard's continues to develop its responsibility towards the environment. During the year ending 31 March 2021, the Hospice Environment Group made up of staff from across the organisation continued to actively promote recycling and raise awareness of environmental issues within the constraints of COVID -19 restrictions.

Plans for future periods

The Process

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

The Hospice uses a range of approaches when considering future services and shaping the strategic vision. The Clinical Commissioning Group's strategic plan for end of life care is central to our plans and we discuss this with the commissioners and other providers within the Humber Coast and Vale Integrated Care System (ICS). We are also actively engaged with local GP's through the York Health and Care Collaborative Steering Group and through this forum will start to evaluate the future needs of our local population.

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

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

The Plans

- To rebuild and reset the strategic vision in light of COVID-19 and the organisation's response to it
- To continue to work collaboratively with the Vale of York Clinical Commissioning Group (CCG) in the delivery of the strategy for End of Life care
- To establish the needs of the local population as part of that strategy especially in relation to community-based services
- To continue to review income and expenditure and to work towards a balanced budget in future years.

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- Managing the ongoing challenges of COVID-19 associated with staff wellbeing, absence and engagement
- To ensure that the Hospice remains the employer of choice in response to shortages of staff in the health/care sectors
- To continue to improve the quality of services for our patients in line with the CQC inspection framework for hospices

Main objectives and strategies for 2021/2022

- To further embed the Hospice values, behaviours and strategic aims across all areas and to identify and deliver work streams for achieving those aims
- To consolidate and build on the fast track funding project with the Vale of York Clinical Commissioning Group and to review the efficacy, impact and quality of service developments created in response to COVID-19
- To continue to review IPU bed occupancy and H@H activity to ensure staff are deployed to maximise responsiveness of services
- To understand and review the short and medium term future of the Sunflower Centre in light of COVID-19, the need to shield vulnerable patients and maintain appropriate social distancing requirements
- To develop a digital strategy for the organisation to maximise efficiency and reduce the reliance on paper processes across all areas
- To review all our human resources/people policies and practices in line with best practice
- To continue to utilise the staff engagement group to improve engagement and communication across the Hospice
- To continue to develop the Hospice Hub (employer engagement platform) as a resource for reward, recognition, support and communication for staff
- To review and develop our organisational leaders to ensure strong visible, innovative leadership for our teams
- To ensure St. Leonard's Hospice is represented on external forums and involved with shaping and defining services for patients in the Vale of York and surrounding areas across Humber, Coast and Vale
- To review and develop our volunteering offer across all areas of the Hospice

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Reference and administrative details

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

Our advisors

Auditor	Garbutt & Elliott Audit Limited	Triune Court, Monks Cross Drive, York, YO32 9GZ
Bankers	National Westminster Bank	1 Market Street, York, YO1 8SR
Solicitors	Hague & Dixon	Bank House, 1 The Square, Stamford Bridge, York, YO41 1AG
	Lupton Fawcett	Stamford House, Piccadilly, York, YO1 9PP
Investment Managers	Sarasin & Partners LLP	Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU
	Ruffer LLP	80 Victoria Street, London, SW1E 5JL
	BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue, London, EC2N 2DL
	CCLA	Senator House, 85 Queen Victoria Street, London, EC4V 4ET

St. Leonard's Hospice York

Trustees Annual Report for the year ending 31 March 2021

Key management personnel: St. Leonard's Hospice York

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

Trustees and directors:

Dr Dan Cottingham
David Dickson (Chair)
Alistair Duncan (retired June 2021)
Sandra Falcus
Prof Kate Flemming
Khushbu Goulden (appointed June 2021)
Juliette Healey
Prof Mike Holmes
Eamonn Keogh
David Miller
Jacqueline Myers
Dr. Lavinia Norton
Michael Sturge
Tony Taylor (appointed June 2021)

Company Secretary:

Karen Johnson (resigned May 2021)
David Jones (appointed August 2021)

Senior Management Team:

Emma Johnson (Chief Executive)
Karen Johnson (Deputy Chief Executive)
(resigned May 2021)
Jenny Brandom (Director of Clinical Services)
(appointed Deputy Chief Executive June 2021)
Dawn Clements (Director of Income Generation)
Dr Bill Hulme (Medical Director)
Ingrid Jenner (Director of People)
David Jones (Head of Finance)
(appointed August 2021)

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

Directors:

David Dickson
Alistair Duncan (retired June 2021)
David Miller (Chair)
Mark Shepherd

Company Secretary:

Karen Johnson (resigned May 2021)
David Jones (appointed August 2021)

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Structure, governance and management

Governing document

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

Appointment of Trustees

The Hospice has a robust and transparent process for the recruitment of Trustees that plays a crucial role in ensuring the Board can draw on a diverse range of skills, expertise, experience and backgrounds and that the Board is as representative of the community we serve as possible.

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

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

Trustee Induction and training

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

Organisation and governance

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

The Board reviews its performance annually through a confidential board consultation and review exercise conducted by a trustee member of the Membership Committee. In July 2020, the Board employed an external consultant to undertake an independent governance review.

The Board of Trustees endeavours to comply with the principles and recommended practice of the Charity Governance Code. St. Leonard's benchmarks its policies, practices and procedures against the code.

St. Leonard's Hospice York

Trustees Annual Report for the year ending 31 March 2021

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

Related parties and co-operation with other organisations

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

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

During the year, the Trustees made personal unconditional donations including donated goods under the retail gift aid scheme totalling £961 (2020: £1,312) to the charity. In addition, donations totalling £4,992 (2020: £100,000) were received from Charitable Trusts that had a common Trustee with the Hospice. There was no event sponsorship income from businesses of which a Trustee is a Director (2020: £3,000).

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

The Hospice is also represented on:

- NHS Vale of York Clinical Commissioning Group - End of Life Locality Group
- East Riding and Humber Clinical Commissioning Groups – End of Life Locality Groups
- Humber Coast and Vale Integrated Care System – Palliative and End of Life Care Group
- York Health and Care Collaborative
- York Health and Care Alliance Board
- Member of Hospice UK
- Yorkshire Hospices Forum
- Forum of Hospice Chairman

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

St. Leonard's Hospice York

Trustees Annual Report for the year ending 31 March 2021

Pay policy for senior staff

The pay of the Chief Executive and senior management team is reviewed annually and is normally increased in line with that in local NHS Trusts and similar charities.

Risk management

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

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

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

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

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

- Reduced capacity across Clinical Services due to shortages of staff in the health/care sectors
- Potential reputational damage from an unanticipated negative event
- The consequences and implications of the COVID-19 outbreak
- Computer network failure or cyber attack
- Unpredictability of legacy income

Trustees' responsibilities in relation to the financial statements

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;

St. Leonard's Hospice York

Trustees Annual Report for the year ending 31 March 2021

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

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

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

Statement as to disclosure to our auditors

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

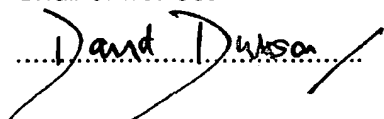
- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken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

Auditors

The auditors, Garbutt & Elliott Audit Limited, are deemed to be re-appointed annually under section 487(2) of the Companies Act 2006.

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

David Dickson
Chair of Trustees



15th November 2021

St. Leonard's Hospice York

Independent Auditor's Report for the year ending 31 March 2021

Opinion

We have audited the financial statements of St. Leonard's Hospice York (the "parent charity") and its subsidiary (the "group") for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and the related Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

St. Leonard's Hospice York

Independent Auditor's Report for the year ending 31 March 2021

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 2021

Our responsibilities for the audit of the financial statements

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

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Trustees and other management, and from inspection of the society's regulatory and legal correspondence.

We discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The charity is subject to laws and regulations that directly affect the financial statements including company law, charity law, financial reporting legislation, pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising safeguarding, environmental, health and safety and employment legislation, and, in the current economic climate, Covid regulations.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the charity to commit fraud. Our risk assessment procedures included: enquiry of Trustees and other management to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures we identified the greatest potential for fraud in the following areas:

- income recognition and in particular the risk that income is recognised in the wrong reporting period; and
- subjective accounting estimates.

St. Leonard's Hospice York

Independent Auditor's Report for the year ending 31 March 2021

Both fraud risks arise due to a potential desire to present weaker results in order to secure additional funding.

As required by auditing standards we also identified and addressed the risk of management override of controls. We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation;
- assessing significant accounting estimates for bias; and
- testing the recognition of income and in particular that it was appropriately recognised or deferred.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

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

Use of our report

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

Garbutt & Elliott Audit Limited

Laura Masheder (Senior Statutory Auditor)
For and on behalf of Garbutt & Elliott Audit Limited
Chartered Accountants
Statutory Auditor

22/11/2021

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Triune Court
Monks Cross Drive
York
YO32 9GZ

St. Leonard's Hospice York

Consolidated Statement of Financial Services as at 31 March 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income from:					
Donations and legacies	4	2,345,297	190,871	2,536,168	2,036,370
<i>Income from charitable activities:</i>					
Grants and contract income	5	1,448,029	1,999,933	3,447,962	1,880,366
<i>Income from other trading activities:</i>					
Shops	6	707,014	-	707,014	2,072,636
Lottery	7	352,459	-	352,459	396,513
Fundraising and other activities	8	190,285	-	190,285	158,607
Investment Income	9	348,872	-	348,872	345,581
Total income		5,391,956	2,190,804	7,582,760	6,890,073
Expenditure on:					
<i>Costs of raising funds:</i>					
Donations and legacies	11	492,566	-	492,566	524,309
Shops	6	1,437,016	-	1,437,016	1,525,332
Lottery	7	176,848	-	176,848	196,460
Fundraising and other activities	8	112,559	-	112,559	120,315
Investment Management Costs	11	75,397	-	75,397	73,687
<i>Expenditure on charitable activities:</i>					
In-patient Care	11	1,948,454	1,794,075	3,742,529	3,554,967
Sunflower Centre	11	164,135	-	164,135	346,940
Hospice@Home	11	548,585	366,246	914,831	590,714
Lymphoedema Service	11	24,194	-	24,194	47,252
Bereavement and Family Support	11	185,967	-	185,967	176,932
Total expenditure	11	5,165,721	2,160,321	7,326,042	7,156,908
Net income/ (expenditure) before other recognised gains/ (losses)		226,235	30,483	256,718	(266,835)
Realised and unrealised gains/ (losses) on investments	18	2,255,971	-	2,255,971	(345,805)
Realised and unrealised gains on investment property		-	-	-	10,000
Net income/ (expenditure) and net movement in funds		2,482,206	30,483	2,512,689	(602,640)
Total funds brought forward		18,988,851	79,243	19,068,094	19,670,734
Total funds carried forward	23	21,471,057	109,726	21,580,783	19,068,094

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

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

A fully detailed comparative Statement of Financial Activities for the year ending 31 March 2020 is shown at note 29.

St. Leonard's Hospice York
Balance Sheets 31 March 2021

	Notes	Charity		Group	
		2021	2020	2021	2020
		£	£	£	£
Fixed assets					
Tangible assets	17	4,756,562	4,865,688	4,756,562	4,865,688
Investments	18	14,516,454	11,747,901	14,516,454	11,747,901
Investment properties	18	105,000	105,000	105,000	105,000
Cash deposits		19	404	19	404
Non-charitable trading subsidiary	18	100	100	-	-
Total fixed assets		19,378,135	16,719,093	19,378,035	16,718,993
Current assets					
Stock	19	808	225	18,809	15,921
Debtors	20	1,973,080	2,060,544	1,795,162	2,237,195
Cash at bank and in hand		605,914	479,556	780,510	539,968
Total current assets		2,579,802	2,540,325	2,594,481	2,793,084
Liabilities					
Creditors falling due within one year	21	(389,694)	(440,717)	(391,733)	(443,983)
Net current assets		2,190,108	2,099,608	2,202,748	2,349,101
Net assets	23	21,568,243	18,818,701	21,580,783	19,068,094
The funds of the charity					
Unrestricted Funds:					
Unrestricted income funds		21,458,517	18,739,458	21,458,517	18,739,458
Non-charitable trading funds		-	-	12,540	249,393
		21,458,517	18,739,458	21,471,057	18,988,851
Restricted income funds	10	109,726	79,243	109,726	79,243
Total charity funds	23	21,568,243	18,818,701	21,580,783	19,068,094

The notes on pages 26 - 45 form part of these financial statements.

The financial statements were approved by the Board on 15th November 2021 and signed on its behalf by:


David Dickson
Chair of Trustees


Michael Sturge
Trustee

Company registration number: 01451533

St. Leonard's Hospice York
Statement of Cash Flows 31 March 2021

		2021	2020
	Notes	£	£
Net cash provided by/ (used in) operating activities	28	<u>596,464</u>	<u>(84,908)</u>
Cash flows from Investing activities:			
Dividends, interest and rent from investments		349,621	346,216
Purchase of property, plant and equipment		(102,818)	(435,962)
Proceeds from the sale of property, plant and equipment		800	15,035
Payments to acquire investments		(2,022,349)	(1,701,765)
Proceeds from the disposal of investments		<u>1,418,439</u>	<u>2,011,734</u>
Net cash (used in)/ provided by financing activities		<u>(356,307)</u>	<u>235,258</u>
 Change in cash and cash equivalents in the year		 240,157	 150,350
Cash and cash equivalents at the start of the year		<u>540,372</u>	<u>390,022</u>
Total cash and cash equivalents at the end of the year		<u>780,529</u>	<u>540,372</u>
 Analysis of cash and cash equivalents			
Cash at bank and in hand		780,510	539,968
Cash deposits (less than 3 months notice)		<u>19</u>	<u>404</u>
		<u>780,529</u>	<u>540,372</u>

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

1. Accounting policies

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

(a) **Company information**

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

(b) **Accounting convention**

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

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

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

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

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

(c) **Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and not less than one year from the date of approval. The Trustees are constantly monitoring the financial position of the charity and the ongoing uncertain situation in respect of COVID-19. The charity has no borrowings and receives substantial funding from government grants and contracts, of which significant amounts have already been secured for the 2021/22 financial year, as such the pandemic is not expected to give rise to a material fluctuation in the funds of the charity, however this is being constantly monitored.

(d) **Group financial statements**

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

(e) **Income**

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

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

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

1. Accounting policies (cont'd)

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

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

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

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

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

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

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

(g) **Investment income**

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

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

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

(h) **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations or other income which the donor or funder has specified are to be used for particular areas of the charity's work.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

1. Accounting policies (cont'd)

(i) **Expenditure and irrecoverable VAT**

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

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

St. Leonard's is able to reclaim most of the VAT it incurs. A small amount of irrecoverable VAT is included in support costs.

(j) **Allocation of support costs**

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

These costs have been allocated between the costs of raising funds and expenditure on charitable activities on the basis set out in note 11.

(k) **Operating leases**

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

(l) **Pensions**

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

The defined benefit NHS scheme is not designed in such a way that allows individual employers to identify their share of the assets and liabilities and the scheme is unfunded. In accordance with FRS 102 the scheme has been accounted for as if it was a defined contribution scheme.

(m) **Staff costs**

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

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

1. Accounting policies (cont'd)

(n) Investments

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

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

For the purposes of the cash flow statement, the short term cash deposits held for reinvestment within investments have been treated as cash.

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

Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

(o) Tangible fixed assets

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

Freehold property	2% Straight Line Basis
Leasehold property	Over the period of the lease
Retail point of sale system	20% Straight Line Basis
Plant	5% to 10% Straight Line Basis
Medical equipment	10% to 20% Straight Line Basis
Furniture, fittings and other equipment	10% to 20% Straight Line Basis
Motor vehicles	20% to 25% Straight Line Basis

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

Freehold land is not depreciated.

(p) Stock

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

It is impractical to estimate the fair value of goods donated for sale in the charity's shops due to the high volume of these items and to include it on the balance sheet. The value of these goods to the charity is instead recognised when they are sold in the shops.

(q) Financial Instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

1. Accounting policies (cont'd)

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

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Bank overdrafts are shown within borrowing in current liabilities.

(s) **Debtors**

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

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

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

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

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

Financial Liabilities are only derecognised when, and only when, the group's obligations are discharged, cancelled or they expire.

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

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

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

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

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

Critical estimates

Depreciation of tangible assets

Depreciation policies have been set according to management's experience of the useful lives of the assets in each category, something which is reviewed annually.

The charity incurs expenditure on creating tangible fixed assets for use in the charity with costs being incurred over a number of months. The Trustees believe it is possible to segregate these

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

1. Accounting policies (cont'd)

costs into identifiable projects, and as such no depreciation is charged on that project until it is brought into use.

Legacies

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

2. Legal status of the charity

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

3. Financial performance of the charity

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

The summary financial performance of the charity alone is:

	2021 £	2020 £
Income	7,406,751	6,610,769
Gift Aid from subsidiary company	392,483	35,391
	<u>7,799,234</u>	<u>6,646,160</u>
Expenditure	(7,305,663)	(7,114,456)
Net income/ (expenditure)	493,571	(468,296)
Investment gains/ (losses)	2,255,971	(335,805)
Total funds brought forward	18,818,701	19,622,802
Total funds carried forward	<u>21,568,243</u>	<u>18,818,701</u>
Represented by:		
Unrestricted income funds	21,458,517	18,739,458
Restricted income funds	109,726	79,243
	<u>21,568,243</u>	<u>18,818,701</u>

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

4. Income from donations and legacies

	2021	2020
	£	£
Donations	1,146,124	1,121,453
Legacies	1,390,044	900,327
Donated goods and services	-	14,590
	<u>2,536,168</u>	<u>2,036,370</u>

St Leonard's is grateful to a number of individuals and local businesses for providing goods and services with a total value of £nil (2020: £14,950) to the charity without charge during the year. The estimated value of these goods and services is recognised within income as a donation, and an equivalent charge included within the relevant cost heading.

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

5. Income from charitable activities

	2021	2020
	£	£
<i>Grants and contract income from Clinical Commissioning Groups:</i>		
Inpatient and day services	1,353,302	1,306,238
Hospice@Home	340,000	340,000
Patient discharge project	-	48,000
Extension of Hospice services	-	33,000
Specialist nursing services	-	33,621
	<u>1,693,302</u>	<u>1,760,859</u>
<i>Other funding:</i>		
NHS Pension contributions paid directly by NHS England	94,726	96,466
COVID-19 grant paid by NHS England	1,161,466	-
Coronavirus Job Retention Scheme	434,429	-
Project Echo	64,039	23,036
Patients' private health plans	-	5
Total income from charitable activities	<u>3,447,962</u>	<u>1,880,366</u>

Included within the restricted funds is contract income of £340,000 (2020: £340,000) from Vale of York CCG through the Better Care Fund to fund the extended Hospice@Home service which operates from 8am to midnight, seven days a week; £nil (2020: £48,000) from Vale of York CCG to explore systems and processes to fund care packages for End of Life patients discharged into the community; £nil (2020: £33,000) from Vale of York CCG through the Better Care Fund to fund the extension of Hospice services and £nil (2020: £33,621) from Humber NHS Foundation Trust to provide specialist nursing services to the Pocklington Group GP Practice (1 April 2019 to 30 September 2019).

As the locally appointed provider, St Leonard's received £64,039 (2020: £23,026) of funding as part of Project Echo from Health Education England through Humber Coast and Vale STP to engage with other providers to support palliative care in non-hospice setting.

A 6.3% increase in NHS Pension Scheme employer contributions effective from 1 April 2019 was funded centrally by NHS England and is reflected in both income and expenditure on staff costs in these accounts. The cost of the increase was £94,726 (2020: £96,466).

Vale of York CCG funds the cost of drugs and other pharmaceutical services provided to Hospice patients by York Hospitals NHS Foundation Trust under the arrangements outlined in the Department of Health Executive Letter 94. The funding for this arrangement is not reflected in these financial statements.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

6. Income and expenditure from other trading activities - shops

	2021	2020
	£	£
Income from the sale of donated goods	527,934	1,787,955
Income from the sale of bought-in goods (through trading subsidiary)	41,014	84,681
Retail grant (through trading subsidiary)	138,066	200,000
Total income from shops	<u>707,014</u>	<u>2,072,636</u>
Costs of buying in goods	(20,988)	(36,702)
Staff costs	(842,618)	(887,812)
Other costs	(573,410)	(600,818)
Total expenditure on shops	<u>(1,437,016)</u>	<u>(1,525,332)</u>
Net (loss)/ profit arising from shops	<u>(730,002)</u>	<u>547,304</u>

The net loss arising from shops in the year is before the allocation of COVID-19 grant paid by NHS England and Job Retention scheme government furlough funding (see Note 5), of which £313,998 was directly attributable to shops.

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

The summary financial performance of the subsidiary alone is:

	2021	2020
	£	£
Trading Income	41,014	84,681
Retail grant	138,066	200,000
Cost of sales and administration costs	<u>(23,448)</u>	<u>(47,829)</u>
Net profit	155,632	236,852
Amount gift aided to the charity	<u>(392,483)</u>	<u>(35,391)</u>
Retained in subsidiary	<u>(236,851)</u>	<u>201,461</u>

The assets and liabilities of the subsidiary were:

	2021	2020
	£	£
Current assets	192,771	278,483
Current liabilities	<u>(160,130)</u>	<u>(8,991)</u>
Creditors due after more than one year	<u>(20,000)</u>	<u>(20,000)</u>
Total net assets	<u>12,641</u>	<u>249,492</u>
Aggregate share capital and reserves	<u>12,641</u>	<u>249,492</u>

In the year to 31 March 2021 a donation of £392,483 (2020 £35,391) was made to the parent charitable company.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

7. Income and expenditure from other trading activities – lottery

	2021 £	2020 £
Income from lottery sales	352,459	396,513
Prizes	(36,709)	(36,718)
Other lottery costs	(140,139)	(159,742)
	(176,848)	(196,460)
Total lottery profits	175,611	200,053

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

	2021 £	2020 £
Fundraising events and activities	151,966	107,834
Provision of placements/training courses	14,644	16,699
Room hire	3,000	3,000
Catering for staff and visitors	6,416	16,798
Industrial injury claims for treating patients with mesothelioma	10,794	10,887
Generating electricity	2,610	3,153
Miscellaneous income	855	236
Total income from fundraising activities	190,285	158,607
Cost of fundraising events and activities	(112,559)	(120,315)
Surplus on fundraising events and activities	77,726	38,292

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

9. Investment Income

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

	2021 £	2020 £
Dividends	340,503	320,719
Rents from investment properties	7,030	5,822
Interest on cash deposits	1,339	19,040
	348,872	345,581

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

10. Restricted funds

Year ended 31 March 2021

	Movement in Funds				Balance 31 March 2021 £
	Balance 1 April 2020 £	Income £	Expenditure £	Transfer £	
Hospice@Home service	-	366,246	(366,246)	-	-
Sunflower Centre	-	-	-	-	-
Workforce development	2,340	-	-	-	2,340
Project Echo	-	64,039	(64,020)	-	19
ACP Funding	-	7,500	-	-	7,500
Service extension	33,000	-	-	-	33,000
Equipment Funds	34,815	27,468	(51,017)	-	11,266
COVID Co-ordinator	-	55,000	(16,042)	-	38,958
NHS England COVID-19 grant	-	1,595,894	(1,595,894)	-	-
Drugs & oxygen	-	49,695	(49,695)	-	-
Homelessness Project	-	22,222	(13,379)	-	8,843
Sundry other funds	9,088	2,740	(4,028)	-	7,800
	79,243	2,190,804	(2,160,321)	-	109,726

Year ended 31 March 2020

	Movement in Funds				Balance 31 March 2020 £
	Balance 1 April 2019 £	Income £	Expenditure £	Transfer £	
Hospice@Home service	-	392,514	(392,514)	-	-
Sunflower Centre	-	18,527	(18,527)	-	-
Workforce development	3,555	-	(1,215)	-	2,340
Project Echo	-	23,036	(20,036)	(3,000)	-
Fast Track funded care	-	48,000	(48,000)	-	-
Service extension	-	33,000	-	-	33,000
Equipment Funds	8,687	124,384	(24,056)	(74,200)	34,815
Sundry other funds	6,449	17,966	(11,886)	(3,441)	9,088
	18,691	657,427	(516,234)	(80,641)	79,243

Where a donor specifies that their donation is to fund a particular service e.g. the Hospice@Home service or the Sunflower Centre, the funds are restricted and applied to cover the cost of that service. In addition to restricted donations, St Leonard's received £340,000 (2020 £340,000) of contract income from the Better Care Fund through Vale of York CCG and £26,246 (2020 £33,621) from NHS Humber Foundation Trust to fund the Hospice@Home service.

St Leonard's is the locally appointed provider of education through the Hospice UK Project Echo initiative to palliative care providers in non-hospice settings. Heath Education England funds the salary and overhead costs of this project.

Vale of York CCG funded our costs to work collaboratively with them to understand the challenges and streamline processes for Fast Track funded care across the health system.

City of York Council allocated £nil (2020 £33,000) from the Better Care Fund during the year to fund the extension of Hospice services.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

St Leonard's is grateful to individuals, companies and charitable trusts who fund equipment for use at the Hospice. During the year ending 31 March 2020, this enabled us to replace beds and mattresses on the in-patient unit and to update other equipment. In accordance with the Charities SORP (FRS 102), fixed assets purchased using restricted funds have been transferred to general funds once no on-going restriction applies to their use and all conditions relating to the original donations or grants have been discharged.

11. Analysis of expenditure including governance and support costs

For the year ended 31 March 2021	Direct Costs £	Support Costs £	Governance Costs £	Total 2021 £
<i>Costs of raising funds:</i>				
Donations and legacies	404,898	84,080	3,588	492,566
Shops	1,192,949	234,077	9,990	1,437,016
Lottery	176,848	-	-	176,848
Fundraising and other activities	95,928	15,950	681	112,559
<i>Investment management costs</i>	75,397	-	-	75,397
<i>Expenditure on charitable activities:</i>				
In-patient care	3,131,625	585,899	25,005	3,742,529
Sunflower Centre	135,845	27,132	1,158	164,135
Hospice@Home	757,151	151,226	6,454	914,831
Lymphoedema service	20,024	3,999	171	24,194
Bereavement and family support	153,914	30,742	1,312	185,967
Total expenditure	6,144,579	1,133,105	48,359	7,326,042

Support and governance costs

All governance and support costs are apportioned between the various costs of raising funds and charitable activities according to levels of direct expenditure. This method of apportionment represents a reasonable approximation of the usage of governance and support costs by each activity.

Support costs are included in the above totals as follows:

	HR, Health & Safety and Volunteers £	Finance and Information Systems £	Administration £	Total 2021 £
Donations and legacies	34,704	26,150	23,226	84,080
Shops	96,615	72,802	64,660	234,077
Fundraising activities	6,583	4,961	4,406	15,950
In-patient care	241,830	182,225	161,844	585,899
Sunflower Centre	11,199	8,439	7,494	27,132
Hospice@Home	62,419	47,034	41,773	151,226
Lymphoedema service	1,651	1,244	1,104	3,999
Bereavement and family support	12,688	9,561	8,493	30,742
	467,689	352,416	313,000	1,133,105

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

11. Analysis of expenditure including governance and support costs (continued)

For the year ended 31 March 2020	Direct Costs £	Support Costs £	Governance Costs £	Total 2020 £
<i>Costs of raising funds:</i>				
Donations and legacies	445,587	74,997	3,725	524,309
Shops	1,302,686	212,112	10,534	1,525,332
Lottery	196,460	-	-	196,460
Fundraising activities	102,250	17,210	855	120,315
<i>Investment management costs</i>	73,687	-	-	73,687
<i>Expenditure on charitable activities:</i>				
In-patient care	3,037,005	493,456	24,506	3,554,967
Sunflower Centre	297,631	46,976	2,333	346,940
Hospice@Home	502,022	84,496	4,196	590,714
Lymphoedema service	40,157	6,759	336	47,252
Bereavement and family support	150,367	25,308	1,257	176,932
Total expenditure	6,147,852	961,314	47,742	7,156,908

Support and governance costs

All governance and support costs are apportioned between the various costs of raising funds and charitable activities according to levels of direct expenditure. This method of apportionment represents a reasonable approximation of the usage of governance and support costs by each activity.

Support costs are included in the above totals as follows:

	HR, Health & Safety and Volunteers £	Finance and Information Systems £	Administration £	Total 2020 £
Donations and legacies	30,746	23,867	20,384	74,997
Shops	86,958	67,502	57,652	212,112
Fundraising activities	7,056	5,476	4,678	17,210
In-patient care	202,299	157,036	134,121	493,456
Sunflower Centre	19,259	14,949	12,768	46,976
Hospice@Home	34,640	26,890	22,966	84,496
Lymphoedema service	2,771	2,151	1,837	6,759
Bereavement and family support	10,375	8,054	6,879	25,308
	394,104	305,925	261,285	961,314

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

12. Net Income for the year

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	193,623	182,362
Auditor's remuneration:		
- Audit fees	9,550	8,685
- Non audit services	7,250	4,361
Operating lease rentals – land and buildings and equipment	165,153	162,454
Profit on disposal of fixed assets	800	15,035

Of the total audit fee, £7,900 (2020: £7,110) related to the charity.

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

	2021 £	2020 £
Wages and salaries	4,792,460	4,642,425
Social security costs	407,154	400,827
Pension costs	574,118	556,141
	<u>5,773,732</u>	<u>5,599,393</u>

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

	2021	2020
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	2	1

The key management personnel of the charity and the group comprise the Trustees, the Chief Executive, Deputy Chief Executive, Director of Clinical Services, Director of People, Medical Director and Director of Income Generation. The total employee benefits of the key management personnel of the charity including on-costs were £593,723 (2020: £516,101). The increase in these costs reflects the addition of a Director of People to the Senior Management Team along with cost of living and other pay awards.

The charity Trustees were not paid and did not receive any employee benefits from the charity or its subsidiary in the year (2020: £nil). There were no costs reimbursed to Trustees by St Leonard's (2020: £930 for 3 Trustees) to attend conferences during the year along with associated travel and subsistence costs.

No charity Trustee received payment for professional or other services supplied to the charity (2020: £nil).

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

13. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (cont'd)

NHS Pension Scheme

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

In the year ended 31 March 2021, the charity made contributions to the NHS Pension Scheme totalling £328,698 (2020: £322,522). Employer contributions were 20.68% and employee contributions were in the range of 5.6% to 13.5% of pensionable pay.

Other Pension Schemes

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

In the year ending 31 March 2021, the charity paid contributions to the schemes totalling £245,420 (2020: £233,619).

14. Staff numbers

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

	2021		2020	
	Head Count	Full Time Equivalent	Head Count	Full Time Equivalent
Charitable services	121	92	122	92
Income generation, including shops	68	48	66	49
Support services	21	15	19	14
	210	155	207	155

15. Government grants

Income from government grants comprises grants from local Clinical Commissioning Groups to support the provision of care by the Hospice and Retail & Leisure Grants under the Government's COVID-19 support package. More information is shown in notes 5 and 6 to the financial statements.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

16. Taxation

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

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

17. Tangible fixed assets The Charity and the Group

	Freehold Property	Leasehold Property	Retail Point of sale System	Plant	Fixtures Fittings & Equip	Medical Equip	Motor Vehicles	Totals
	£	£	£	£	£	£	£	£
Cost:								
At 1 April 2020	6,590,601	49,903	38,247	77,175	151,536	177,612	158,283	7,243,357
Additions	10,691	-	-	4,250	39,903	9,204	20,449	84,497
Disposals	-	(12,269)	-	-	(2,979)	(10,263)	(14,517)	(40,028)
At 31 March 2021	<u>6,601,292</u>	<u>37,634</u>	<u>38,247</u>	<u>81,425</u>	<u>188,460</u>	<u>176,553</u>	<u>164,215</u>	<u>7,287,826</u>
Depreciation								
At 1 April 2020	1,987,891	42,511	7,650	18,840	133,236	79,524	108,017	2,377,669
Charge for the year	121,188	1,971	7,650	6,586	12,371	16,074	27,783	193,623
On Disposals	-	(12,269)	-	-	(2,979)	(10,263)	(14,517)	(40,028)
At 31 March 2021	<u>2,109,079</u>	<u>32,213</u>	<u>15,300</u>	<u>25,426</u>	<u>142,628</u>	<u>85,335</u>	<u>121,283</u>	<u>2,531,264</u>
Net Book Values								
At 31 March 2021	<u>4,492,213</u>	<u>5,421</u>	<u>22,947</u>	<u>55,999</u>	<u>45,832</u>	<u>91,218</u>	<u>42,932</u>	<u>4,756,562</u>
At 31 March 2020	<u>4,602,710</u>	<u>7,392</u>	<u>30,597</u>	<u>58,335</u>	<u>18,300</u>	<u>98,088</u>	<u>50,266</u>	<u>4,865,688</u>

Freehold property includes non-depreciable land with a book value of £368,712 (2020: £368,712).

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

18. Fixed asset investments

Investments

	The Charity and the Group	
	2021	2020
	£	£
Market value at 1 April 2020	11,747,901	12,492,598
Additions at cost	2,022,349	1,701,765
Disposal proceeds	(1,418,439)	(2,011,734)
	12,351,811	12,182,629
Realised and unrealised investment (losses)/gains	2,255,971	(345,805)
Investment management costs	(76,856)	(72,029)
Charges within valuation	(14,472)	(16,894)
Market value at 31 March 2021	14,516,454	11,747,901

The historic cost of investments at 31 March 2021 was £9,540,781 (2020: £8,936,871).

UK Investment Property

	2021	2020
	£	£
Market value at 1 April 2020	105,000	95,000
Revaluation	-	10,000
Market value at 31 March 2021	105,000	105,000

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

The historic cost of investment property at 31 March 2021 was £15,842 (2020: £15,842).

The total carrying amount of financial assets measured at fair value through income and expenditure for both the company and group was £14,621,454 (2020: £11,852,901).

Investment in subsidiary

	The Charity	
	2021	2020
	£	£
Shares at cost	100	100

The charity owns 100% of the share capital of St Leonard's Hospice Enterprises Limited.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

19. Stock

	Charity		Group	
	2021	2020	2021	2020
	£	£	£	£
Goods for resale	808	225	18,809	15,921

20. Debtors

	Charity		Group	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	81,715	127,079	81,889	128,609
Amount owed by subsidiary	178,092	25,724	-	-
Other debtors	62,737	65,945	62,737	65,945
Prepayments	91,186	83,108	91,186	83,953
Accrued income	1,559,350	1,758,688	1,559,350	1,958,688
	<u>1,973,080</u>	<u>2,060,544</u>	<u>1,795,162</u>	<u>2,237,195</u>

	Charity	
Amounts Owed by Subsidiary	2021	2020
	£	£
Due within one year	158,092	5,724
Loan repayable after more than one year	20,000	20,000
	<u>178,092</u>	<u>25,724</u>

The loan to the subsidiary is covered by a debenture which provides for interest to be paid quarterly in arrears at the rate of 2.5% above the base rate of the principal bankers of the Hospice. The date set for repayment is 31 March 2030. The debenture is secured by a floating charge over all real and personal property of the company.

21. Creditors: amounts falling due within one year

	Charity		Group	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	93,793	118,891	93,852	120,267
Taxes and social security costs	171,241	171,941	171,241	171,941
Other creditors	686	9,928	686	9,928
Accruals	123,974	139,957	125,954	141,847
	<u>389,694</u>	<u>440,717</u>	<u>391,733</u>	<u>443,983</u>

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

22. Contingent assets – legacy income

At 31 March 2021, the charity had been notified of its entitlement to 3 (2020: 3) residuary legacies with Probate granted, the value of which is uncertain due to either insufficient information being available or due to potential claims on the estate. At the date when the accounts were signed, no further information had been received and so these legacies have either not been accrued or not been accrued in full.

23. Analysis of group net assets between funds

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fund balances at 31 March 2021 are represented by:			
Tangible fixed assets	4,756,562	-	4,756,562
Investments	14,621,473	-	14,621,473
Current assets	2,484,755	109,726	2,594,481
Current liabilities	(391,733)	-	(391,733)
Total net assets	21,471,057	109,726	21,580,783

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fund balances at 31 March 2020 are represented by:			
Tangible fixed assets	4,865,688	-	4,865,688
Investments	11,853,305	-	11,853,305
Current assets	2,713,841	79,243	2,793,084
Current liabilities	(443,983)	-	(443,983)
Total net assets	18,988,851	79,243	19,068,094

24. Post balance sheet events

There are no post balance sheet events (2020: no post balance sheet events).

25. Capital commitments (group and charity)

At 31 March 2021, capital commitments amounted to £nil (2020 £nil).

26. Operating Lease Commitments (group and charity)

At 31 March 2021, the group and the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows: -

	2021 Land & Buildings £	2020 Land & Buildings £	2021 Other £	2020 Other £
Due within one year	134,134	151,574	1,929	1,929
Due between two and five years	201,398	319,397	4,421	8,735
	335,532	470,971	6,350	10,664

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

27. Related party transactions

During the year, St. Leonard's Hospice York conducted the following transactions with its subsidiary, St Leonard's Hospice Enterprises Limited:

St. Leonard's Hospice York levied a management charge on St Leonard's Hospice Enterprises Limited amounting to £2,461 (2020: £5,081), a software license charge amounting to £600 (2020: £600) and interest amounting to £520 (2020: £643).

At 31 March 2021, St. Leonard's Hospice York was due £158,092 from St Leonard's Hospice Enterprises Limited (2020: £5,724). In addition to the trading balances St. Leonard's Hospice York was due an amount of £20,000 (2020: £20,000) in respect of a loan in favour of St Leonard's Hospice Enterprises Limited, the interest is secured against the assets of St Leonard's Hospice Enterprises Limited and interest is charged at 2.5% above the base rate of principal bankers.

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

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

	2021 £	2020 £
Net movement in funds	256,718	(266,835)
Adjustments for:		
Dividends interest and rents from investments	(348,872)	(345,581)
Depreciation charges	193,623	182,362
Profit on sale of fixed assets	(800)	(15,035)
Investment management charges	91,328	88,923
(Increase)/ decrease in stocks	(2,888)	829
Decrease in debtors	441,284	186,930
(Decrease)/ Increase in creditors	(33,929)	83,499
Net cash (used in)/provided by operating activities	596,464	(84,908)

An adjustment has been made to the movement in creditors to reflect fixed asset additions included within trade creditors

Analysis of changes in net funds

	At 31 March 2020 £	Cash flow £	At 31 March 2021 £
Cash at bank and in hand	540,372	240,157	780,529

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2021

29. Comparative Statement of Financial Activities

Consolidated Statement of Financial Activities (Including Income and Expenditure Account)
for the year ending 31 March 2020

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Income from:			
Donations and legacies	1,856,600	179,770	2,036,370
<i>Income from charitable activities:</i>			
Grants and contract income	1,402,709	477,657	1,880,366
<i>Income from other trading activities:</i>			
Shops	2,072,636	-	2,072,636
Lottery	396,513	-	396,513
Fundraising activities	158,607	-	158,607
Investment Income	345,581	-	345,581
Total income	6,232,646	657,427	6,890,073
Expenditure on:			
<i>Costs of raising funds:</i>			
Donations and legacies	524,309	-	524,309
Shops	1,525,332	-	1,525,332
Lottery	196,460	-	196,460
Fundraising activities	120,315	-	120,315
Investment Management Costs	73,687	-	73,687
<i>Expenditure on charitable activities:</i>			
In-patient Care	3,449,774	105,193	3,554,967
Sunflower Centre	328,413	18,527	346,940
Hospice@Home	198,200	392,514	590,714
Lymphoedema Service	47,252	-	47,252
Bereavement and Family Support	176,932	-	176,932
Total expenditure	6,640,674	516,234	7,156,908
Net (expenditure)/income before other recognised (losses)/gains	(408,028)	141,193	(266,835)
Realised and unrealised (losses)/gains on investments	(345,805)	-	(345,805)
Realised and unrealised gains on investment property	10,000	-	10,000
Net (expenditure)/Income	(743,833)	141,193	(602,640)
Transfers between funds	80,641	(80,641)	-
Net movement in funds	(663,192)	60,552	(602,640)
Total funds brought forward	19,652,043	18,691	19,670,734
Total funds carried forward	18,988,851	79,243	19,068,094