

**Company Registration No. 01776496 (England and Wales)**  
**Registered Charity No. 288462**

**St Michael's Hospice Hastings and Rother**

**Report of the Trustees and consolidated financial statements  
for the year ended 31 March 2022**



# **St Michael's Hospice Hastings and Rother**

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## **St Michael's Hospice Hastings and Rother**

### **Reference and administrative information**

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#### **Company information**

St Michael's Hospice Hastings and Rother, a registered charity and a company limited by guarantee, was established on 8 December 1983 and formally opened its service in April 1987. Its Articles of Association were last revised and agreed on 27 January 2012.

The Trustees of the charity (who are also Directors of the company) are drawn from the local community. The Chair will be recruited from the local community in the event that they are not elected by the Trustees from amongst those on the Board.

**President** Julian Avery

**Board of Trustees** Susan Munroe (Chair)

Steve Barnes	(retired 25 March 2022)
Jayne Black	(appointed 21 Jan 2022, resigned 30 May 2022)
Tony Boardman	
Simon Davis	(appointed 24 Sept 2021)
Dr Peter Dewhurst	
Nigel Gaymer	(retired 25 March 2022)
Kerry Gentleman	
Dr Rosie Guy	(retired 25 March 2022)
Nigel Kirby-Green	
Geoff Longmire	
Ian Menzies	(appointed 24 Sept 2021)
Ian Ross	(appointed 24 Sept 2021, resigned 9 Jan 2022)
Linda Stevens	
James Thomas	(appointed 24 September 2021)

**Company Secretary** Vinyo Aidam (to 4 April 2022)  
Darren Mackenzie (from 4 April 2022)

**Chief Executive** Dr Karen Clarke

<b>Leadership Team</b>	Vinyo Aidam	Finance and IT Director (to 4 April 2022)
	Darren Mackenzie	Finance and IT Director (from 4 April 2022)
	Dr Declan Cawley	Medical Director
	Perdita Chamberlain	Income Generation Director
	Penny Jones	Nursing and Quality Director (to 31 July 2021)
	Evelyn Prodger	Nursing and Quality Director (from 18 October 2021)
	Rebecca Tiberini	Strategy and Integration Director
	Caroline White	Organisational Development Director

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## **St Michael's Hospice Hastings and Rother**

### **Reference and administrative information (continued)**

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#### **Registered information**

<b>Registered charity name</b>	St Michael's Hospice Hastings and Rother
<b>Charity number</b>	288462
<b>Company registration number</b>	01776496
<b>Registered office</b>	25 Upper Maze Hill St Leonards on Sea East Sussex TN38 0LB

#### **Professional advisors**

<b>Auditors</b>	Saffery Champness LLP Chartered Accountants 71 Queen Victoria Street London EC4V 4BE
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<b>Bankers</b>	Lloyds Bank Plc 17 Wellington Place Hastings East Sussex TN34 1NX
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<b>Solicitors</b>	Gaby Hardwicke 34 Wellington Square Hastings East Sussex TN34 1PN
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<b>Investment advisors</b>	Rathbone Investment Management 8 Finsbury Circus London EC2M 7AZ
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## **St Michael's Hospice Hastings and Rother**

### **Report of the Trustees and strategic report For the year ended 31 March 2022**

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The Trustees present their report and accounts for the year ended 31 March 2022 including the Strategic Report for the company.

These accounts comply with the charity's governing document, which states that the charity's objective is to promote the relief of sickness, the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and with the Charities SORP (FRS 102).

St Michael's Hospice is regulated by the Care Quality Commission (CQC) which is the independent regulator of all health and social care services in England.

#### **1. OBJECTIVES AND ACTIVITIES**

##### **1.1. Purpose of the charity as set out in the governing document**

The charity was established to "promote the relief of sickness in such ways as the Trustees shall from time to time think fit and, in particular (but without prejudice to the generality of the foregoing), to provide services so as to support the physical, psychological, social and spiritual needs of those affected by life-limiting illnesses."

##### **1.2. Main activities of the charity undertaken in relation to those purposes**

The overall aim of St Michael's Hospice is to enable people (over the age of eighteen) living with serious, advanced illness to live as fully as possible and to provide compassionate, expert care at the end of life. The service adopts an interdisciplinary approach and works collaboratively with NHS services in primary, secondary and tertiary care, continuing healthcare, adult social care and with private and voluntary providers.

The Hospice team acts as a resource to provide specialist advice and support to the wider primary care locality. Its aim is to:

- provide specialist and integrated palliative and end of life care and support to the population of Hastings and Rother irrespective of their diagnosis
- provide specialist and holistic support to family members and carers of people living with an advanced, serious illness to enable them to remain as resilient and independent as possible
- ensure that patients and their families or carers receive appropriate information, treatment and support to help manage their illness and the effect of their illness on their wellbeing
- ensure that patients and their families and carers have knowledge and choice regarding how their support and care is delivered.
- ensure that patients' preference as to how they are cared for and die are obtained and recorded, and where possible, achieved
- provide specialist support to people who are bereaved.

The Hospice accepts referrals from any health practitioner and also self-referrals, which are discussed with the GP. The inter-disciplinary team provides high quality holistic palliative and end of life care, enhancing the quality of life for patients nearing the end of their lives and supporting family members and carers. This includes:

- specialist symptom control – to keep patients as comfortable and well as possible
  - holistic emotional, social, spiritual and practical support – to make sense of and cope with living with or supporting someone with a life limiting illness.
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## **St Michael's Hospice Hastings and Rother**

### **Report of the Trustees and strategic report (continued) For the year ended 31 March 2022**

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- rehabilitation - to optimise patients' independence and participation in activities meaningful to them
- in-patient facilities
- 24/7 telephone advice and support for patients, families and health professionals
- respectful and effective working with other relevant primary, secondary, tertiary and social care providers to ensure maximum continuity and seamless support for patients nearing the end of life and their families
- supporting people to be cared for in their preferred place of care whenever possible and in line with their needs
- ensuring patients in receipt of care are treated with dignity and respect and that their individual needs and preferences are acknowledged
- support from trained volunteers
- expert bereavement support.

Support and care is highly specialised, individualised and delivered by skilled members of an interdisciplinary team including consultants in palliative medicine, specialist doctors, nurses, health care and wellbeing assistants, therapists, social workers, spiritual support lead and pharmacist who work in accordance with professional codes of practice (where applicable) legal and ethical principles.

*The Hospice provides palliative care training and support to health and social care professionals and nursing homes.*

#### **1.3. Main activities undertaken to further the charity's purposes for the public benefit**

The charity serves a population of c190k living in Hastings and Rother. All the activities undertaken by the charity are to further its charitable purposes for the benefit of the people living within its catchment area and all services are provided free of charge.

Much of the charity's funding comes from local individuals and organisations and most of its beneficiaries are predominantly, but not exclusively, drawn from Hastings and Rother. Services are also available for those who have not been resident locally but need support, e.g. someone who has moved into the area to be closer to their family.

The Trustees have considered the Charity Commission's guidance on public benefit and can confirm that the charity's activity does deliver public benefit. The main benefits that have arisen throughout the year are detailed in the following pages.

#### **1.4. Aims, details of issues the charity seeks to tackle, changes or differences it seeks to make**

Through the services it provides, the training it delivers and numerous fundraising activities, the Hospice aims to raise awareness of, and support the end of life and bereavement needs of those living in the local area.

#### **1.5. How achievement of aims will further the charity's legal purposes**

Providing Hospice care directly fulfils the charity's legal aim of promoting the relief of sickness by supporting the physical, psychological, social and spiritual needs of those affected by life-limiting illness. In addition, it provides holistic emotional and spiritual support to make sense of and cope with supporting someone with a life-limiting illness.

Providing education and training to other health and social care professionals is indirectly fulfilling the charity's aim of promoting the relief of sickness. Encouraging people to engage in fundraising activities is a

## **St Michael's Hospice Hastings and Rother**

### **Report of the Trustees and strategic report (continued) For the year ended 31 March 2022**

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way of enabling them to do something positive in someone's memory as well as raising awareness and support for the charity. This therefore indirectly fulfils the charity's aim of promoting relief of sickness.

#### **1.6. Strategies for achieving stated aims**

In April 2020, the Hospice was due to launch a new vision, mission and strategic plans. However, the COVID-19 pandemic meant that the Board agreed to delay this. Throughout 2021/22 the charity maintained its four strategic aims:

- Increase clinical reach
- Improve and demonstrate our effectiveness
- Develop and value our people
- Ensure long-term sustainability.

Achievement against those aims will be described in section 3, page 7.

## **2. STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **2.1. Governing document**

St Michael's Hospice Hastings and Rother is a company limited by guarantee and registered with Companies House. Its Articles of Association were last revised and agreed on 27 January 2012. The Trustees of the Charity (who are also Directors of the Company) are drawn from the local community.

### **2.2. Organisational structure**

During the year 2021/22, the Board met formally six times. Additionally, it held a strategy day in October 2021 to refresh and plan the implementation of the new strategy.

Health and Safety (now incorporated into the Governance, Audit and Risk Committee) and the Investment Committees (now incorporated into the Finance Committee) met once. Both the People Committee and the Fundraising Strategy Committee met twice, the Finance Committee met three times. The Clinical Governance Committee met six times; and the Governance, Audit and Risk Committee met nine times (largely due to Trustee and Non-Executive Director recruitment processes).

The Chief Executive is appointed by the Board of Trustees to manage the day-to-day operations of the charity. The Board seeks to ensure that all the charity's activities are within its charitable objectives and its responsibilities include setting the strategic direction and approving the business plan and budgets. The Chief Executive and the Leadership Team attend and present information at each formal Board meeting to enable effective decision-making and ensure open and transparent communications.

St Michael's Hospice Hastings and Rother has two wholly owned subsidiary companies, one for its lottery and another for its retail business. The Boards of these companies meet four times a year to scrutinise the operation of these businesses and explore opportunities to increase their income. They also held strategy days within the year.

### **2.3. Recruitment and appointment of Trustees**

The Articles of Association state that there must be a minimum of four and a maximum of fifteen Trustees. The initial appointment of Trustees is for a period of three years followed by a second term of three years. Thereafter, the position is reviewed annually up to the maximum of nine years.

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## St Michael's Hospice Hastings and Rother

### Report of the Trustees and strategic report (continued) For the year ended 31 March 2022

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The Board of Trustees has delegated responsibility for succession planning, recruitment and induction of Trustees to the Governance, Audit and Risk Committee who then make recommendations to appoint to the Board. The skills of existing Board members are assessed and where a skills gap exists, advertising will take place using the most cost-effective method for the skills being sought whilst ensuring a wide, diverse audience is reached. Members of the Governance, Audit and Risk Committee will then interview candidates who meet the selection criteria. Once appointed, all new Trustees undertake an induction programme specific to their needs.

The following actions were undertaken at General Meetings

- 24 September 2021 it was formally recorded that Simon Davis, Ian Ross and James Thomas be appointed to the Board as Trustees and that Ian Menzies be appointed as a Trustee/Treasurer
- 28 January 2022 it was formally recorded that Jayne Black be appointed as a Trustee.

In August 2021, Kerry Gentleman and Linda Stevens were appointed as Vice Chairs.

In the last quarter of 2020/21, the Chairman undertook a governance review and as a result, the frequency of Board meetings and the committee structure was changed and new terms of reference were agreed with effect from 1 June 2021. The Trustees who served during the year are shown below and their membership of a sub-committee is indicated using the following key:

✂ Clinical Governance Committee

◆ Finance Committee

Ω Fundraising Strategy Committee

♣ Governance, Audit and Risk Committee

♪ Health and Safety Committee (integrated into Governance, Audit and Risk Committee from 1 June 2021)

■ Investment Committee (integrated into Finance Committee from 1 June 2021)

● People Committee

Δ Lottery and Retail Boards - Non-Executive Director

Steve Barnes ◆ Δ

Tony Boardman Ω Δ

Simon Davis Ω ●

Dr Peter Dewhurst ✂ ♣

Nigel Gaymer ◆ ♪ ■

Kerry Gentlemen ✂ ●

Dr Rosie Guy ●

Nigel Kirby-Green ◆ ■

Geoff Longmire ■ ◆ Ω

Ian Menzies ◆ ♣

Susan Munroe ■ ● Δ

Linda Stevens ♣ ◆ ●

James Thomas ♣ Δ



## **St Michael's Hospice Hastings and Rother**

### **Report of the Trustees and strategic report (continued) For the year ended 31 March 2022**

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#### **2.4. Remuneration for key management personnel**

The Trustees consider that the Trustees and the Leadership Team comprise the key management individuals of the charity responsible for directing, controlling and operating the charity on a day to day basis. All Trustees give their time freely and received no remuneration within the year.

The Hospice directly employs medical consultants, doctors, nurses and other allied healthcare professionals, who are paid at a rate aligned with the relevant national scale. The Leadership Team remuneration is reviewed annually by the People Committee as part of the annual budget cycle where inflation, other hospices and NHS increases are taken into consideration. The Hospice also takes part in salary surveys and benchmarks against a range of peers.

### **3. ACHIEVEMENTS AND PERFORMANCE**

#### **Introduction**

The pandemic continued to present a unique set of challenges in 2021/22 and the Hospice's virtual support, established in 2020/21, continued and remains a key part of its service offer as people remain anxious about being in close proximity to others. The Hospice directly supported over 1,700 individuals in need of palliative care in the local area, some of whom accessed more than one Hospice service. The services support people at home, in care homes or at the Hospice; this diverse approach enabled patients to be cared for in the place of their choosing.

The Hospice's bereavement service expanded significantly to cope with the increase in demand to support people who were unable to see their loved ones at the end of life or were unable to gather for funerals.

At the same time, St Michael's Hospice has continued to focus on quality improvements, including those related to the new ways it is working, whilst ensuring it provides personalised, holistic, high quality care and support to patients and families in an enabling environment that respects their wishes.

During 2019/20 the Hospice engaged with key internal and external stakeholders to inform its strategic development culminating in plans to launch a new strategy from 1 April 2020. However, this was postponed due to the pandemic and as a result, an interim business plan in response to COVID-19 was implemented. This plan incorporated some aspects of the new strategy but focused on maintaining business as usual priorities during this unprecedented period.

#### **Achievements in relation to the business plan**

The following section highlights some of the key achievements in 2021/22 according to the strategic aims identified in section 1.6, page 5.

##### **3.1. Increase clinical reach**

In 2021/22 the Hospice supported 1,725 patients (1736, 2020/21) (excluding support provided to family members or given by Hospice Neighbours) and there were 180 admissions to the In-Patient Unit. Of those patients supported, 48% had a non-cancer diagnosis. In addition, 450 clients benefitted from bereavement support

The Community team, including Wellbeing, supported over 1,700 patients and made over 1,350 home visits, despite the challenges with COVID-19. The team also made over 26,000 telephone, and 135 video support calls to patients and their carers in this period.

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## **St Michael's Hospice Hastings and Rother**

### **Report of the Trustees and strategic report (continued) For the year ended 31 March 2022**

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Work continued to consolidate the new ways of supporting patients and families prompted by the pandemic (integrated clinical services, virtual rather than face to face support etc.). This included continuing to evolve the community service (nursing and wellbeing); maintaining support to care home residents and employees through Project ECHO and other education interventions; bereavement support and telephone befriending.

A third medical Consultant was appointed in June 2021 which enabled the Hospice to extend its input into the Conquest Hospital and to patients in the community. Wellbeing services continued to be provided from the Hub on Rye Hill to enable patients in the east of the Hospice's catchment area to access support closer to home.

Work started in the year on the Hospice's compassionate communities programme. This recognises that compassionate, supportive and strong communities make a significant contribution to enabling people to live with dying, death and loss and a Compassionate Communities Lead was appointed to take forward this work. A successful bid to the Big Lottery has enabled a new community volunteering programme to be developed and new relationships are being built with community groups.

#### **3.2 Improve and demonstrate our effectiveness**

The failure of the software developer to invest in the Hospice's electronic patient record system (EPRS) (Crosscare) led to a decision to move to a new EPRS. The new system is the same as the one used within the local NHS Trust and has interoperability with the GP system. A joint project with St Wilfrid's Hospice was initiated, with a go live date of September 2022, and some funding for equipment was secured from NHS England.

Virtual Trustee visits continued until July when the first on site visit, since the pandemic, took place. On a bi-monthly basis two Trustees have individual programmes of activities to undertake throughout the day. The format for the Trustee's assessment is based on the Care Quality Commission's (CQC) key lines of enquiry (KLOE) and Trustees are asked to consider whether, during the visit, they were able to evidence safe, caring, responsive, effective and well-led services. Feedback is then shared with the clinical team.

The Care Quality Commission (CQC) suspended its routine inspection programme in March 2020, in response to Covid-19, and has not yet resumed it. It has continued to use a mix of onsite and off-site monitoring to ensure the public have assurance as to the safety and quality of the care they receive. In accordance with this approach, the Registered Manager, Head of Integrated Clinical Services – Wellbeing and Head of Quality Improvement & Support Services met with the Hospice's CQC inspector for a direct monitoring call which covered the key lines of enquiry in detail. On 3<sup>rd</sup> March 2022 the CQC carried out a review of the data available to it about the Hospice and as a result, confirmed that there was no evidence to suggest an inspection was required.

Regrettably, there are times when the Hospice's service did not meet the expectations of its service users and in 2021/22 there were seven complaints. All complaints are registered with the Chief Executive and a complaint handler identified. A thorough investigation is undertaken and a written response provided to the complainant within 20 days. Responsibilities for following up on lessons learned are allocated to the appropriate manager. One of the key issues is communication between the different partners (hospital, GP, district nursing, adult social care) supporting patients and this is being followed up by the clinical directors. In this year, a new complaints module on Vantage-Sentinel (the Hospice's incident and risk management platform) was launched and this has provided an opportunity to evidence learning, monitor responsiveness, escalate risks and provide assurances to the Board of Trustees and other key stakeholders.

## **St Michael's Hospice Hastings and Rother**

### **Report of the Trustees and strategic report (continued) For the year ended 31 March 2022**

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A digital transformation steering group was established and a roadmap developed which aims to improve systems and effectiveness, enable better information sharing, improve access to information for patients and families, create new ways to engage with supporters and support digital income generation.

#### **3.3 Develop and value our people**

In the last year progress has been made with the Organisational Development (OD) strategy. Whilst the pandemic has left a lasting legacy, many positives have come from new ways of working and the Hospice has become a more flexible organisation for the people that work within it. Sharing the OD Strategy with the organisation was well-received and provided a clear focus on how the Hospice plans to continue to develop and value the workforce. The first Employee Satisfaction Survey in three years was issued and an action plan to address the issues raised has been implemented.

In 2021/22, 36 new employees joined the Hospice. Recruitment continues to be very challenging, not just in health care roles, but also in Retail and other non-clinical roles. The jobs market is very open, giving jobseekers more choice and with many people looking for hybrid working. In response to this the Hospice introduced a Working from Home policy to enable more flexible working and formalise the arrangements that were put in place in 2020/21. Benenden Health Care was introduced for all employees in 2020/21 and in the first year has been used 41 times and 132 employees added 43 family members.

Enhancing relationships and links with East Sussex Healthcare Trust and other health and social care partners could be key to resourcing the Hospice's future clinical workforce needs, but in the meantime, the Hospice continues to look at innovative ways to recruit to the clinical workforce.

One of these new initiatives is introducing the role of Nurse Associate. The Hospice's first Nurse Associate started in September 21 and is progressing well with their studies at Brighton University. There are plans for a further two Nurse Associates in 2022/23. The Health Care Assistant (HCA) Passport Programme and Competency Framework have been successful in developing the skills of the nursing team. Many HCA's have progressed to level two of the competency framework and are showing a greater understanding of holistic palliative care with a focus on enablement. The HCA Passport Programme is being presented at the Hospice UK conference in November 2022. Level three of the Registered Nurse competency framework is nearing completion and will complete the career pathway work for nurses.

In line with the Service Level Agreement with East Sussex Healthcare Trust, all Hospice doctors underwent a formal appraisal. No doctors were due for revalidation and no complaints or concerns relating to doctors were raised.

During the height of the pandemic, core volunteer recruitment was halted but a telephone befriending service was established to support people to cope with isolation and loneliness and this is continuing as part of the community volunteering programme. There has been a gradual return of volunteers to existing roles and the Sussex Hospices Collaborative has been working on tailored volunteers' training to ensure volunteers have the skills and knowledge they need to fulfil their roles safely without the training becoming onerous.

A governance structure was put in place to enable the actions from the equality, diversity and inclusion (EDI) audit to be implemented and an EDI Lead was appointed who reports to the EDI steering group and leads the EDI Action Plan Delivery Group. A "Proud to be" series was launched which enables colleagues to share their lived experiences. This work will be presented at the Hospice UK conference in 2022.

An upgraded version of the HR information system was implemented in December 2021 and enabled the Hospice to introduce a Talent Management module to improve the appraisal process. Aligned with the

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## **St Michael's Hospice Hastings and Rother**

### **Report of the Trustees and strategic report (continued) For the year ended 31 March 2022**

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Hospice's focus on EDI, data monitoring categories have been updated to enable people to identify themselves more accurately.

The Hospice continues to collaborate with hospices across Sussex as part of the Sussex Hospices Collaborative and in January 2022 the first cohort of THRIVE was launched. Developed in partnership, THRIVE is a management development programme aimed at middle managers and includes workshops, action learning sets and individual coaching for groups of 16 participants from seven hospices. Cohorts two and three commence in June and September 2022 respectively.

Another collaborative programme is the Learning Hub which has produced some excellent results in delivering consistency in statutory and mandatory training across five hospices. This was a significant piece of work for all involved but is now embedded and delivering benefit.

#### **3.4 Ensure our long-term sustainability**

To ensure the Hospice's long-term sustainability, resources have to be carefully managed. Expenditure was closely monitored and was within tolerance levels throughout the year. However, the pandemic continued to have a significant impact on the Hospice's ability to raise funds with restrictions preventing most face to face fundraising activities and smaller shops being closed due to being unable to achieve adequate social distancing.

The Hospice appointed a joint Finance and IT Director with St Wilfrid's Hospice (Eastbourne) to enable sharing of skills, knowledge and good practice, build relationships with the commissioners and explore further opportunities to share resources and systems. In 2022/23, this has facilitated a joint approach to the implementation of a new EPRS.

Gross income for the year was £6.8 million. Hospice UK successfully negotiated some government funding based on the fact that hospices were part of the NHS response to the pandemic. The support received equated to £220k. Additional further income from the government's job retention scheme (£17k) resulted in a year end deficit of £117k before investment losses.

##### **a) Lottery**

Despite the volunteer collectors and canvassers being unable to work for parts of the year, the Hospice Lottery generated £920k. This incredible achievement enabled the Lottery to gift a covenant of £610k to the Hospice.

For every £1 played in the lottery, 66p goes to St Michael's Hospice (the legal requirement is to pay at least 20p), 17p goes into the prize fund and 17p covers the administration, promotion, and legal regulation expenditure.

##### **b) Retail and E-Commerce**

Only four out of seven shops were open for the entire year. One opened in May 2021 and one in December 2021 and the other one remained closed for the year. The Retail Company generated £517k in income and controlled expenditure, which was 12% less than budget, but nevertheless ended the year with a deficit of £116k. It was recognised that 2021/22 was going to be another challenging year for the Retail Company and this result was favourable to a budgeted deficit of £156k.

##### **c) Sussex Hospices Collaboration**

St Michael's Hospice is a member of Hospice UK (HUK), the national charity which exists to support and provide a campaigning voice to hospices across the United Kingdom.

## **St Michael's Hospice Hastings and Rother**

### **Report of the Trustees and strategic report (continued) For the year ended 31 March 2022**

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As reported last year, the Hospice has close links with the other Sussex hospices and all members of the Leadership Team meet with their counterparts in neighbouring hospices. The Chief Executives of all seven Sussex-based hospices, including St Michael's, have been pursuing collaboration since 2018. The Chief Executive gave a presentation about the work of the Sussex Hospices Collaboration at the Hospice UK conference in 2021.

The programmes that are part of the collaboration are referenced in other parts of this report. Work will continue to progress these initiatives and more opportunities will be developed in the year ahead. While each hospice holds fast to its local autonomy and identity, we recognise the benefit of working together to make the most of our knowledge and resources in benefitting patients and families and enhancing our sustainability.

#### **4. FINANCIAL REVIEW**

The results for the year are shown in the Statement of Financial Activities. Income totalled £6.84 million (2021 - £6.70 million).

The charity received a grant from Hastings and Rother Clinical Commissioning Group of £2.36 million (2021 - £2.32 million).

Total expenditure was £6.95 million (2021 - £6.54 million) an increase of 6.3%.

The year ended with a deficit before investment movements of £117k (2021 – surplus of £155k).

##### **4.1. Reserves Policy**

One of the key risks that the charity faces is a fall in its income because of a drop in donated funds. To sustain the organisation's ability to deliver the services it is committed to the Trustees have agreed to maintain financial reserves as they deem necessary to ensure there can be continuity.

The short-term reserves include a working capital and contingency reserve as well as some designated reserves for essential capital/maintenance works. The contingency funds are set at £3.4 million which amounts to 12 months' expenditure after allowing for an amount of income that can reasonably be relied upon.

The Trustees have designated a Strategic Development Fund of £2 million to develop facilities on the Hospice site. Architects have been appointed and a Capital Project Sub-Committee was established in May 2022 to start working on this project.

The fixed asset reserve represents the amount of the total reserves that are tied up in tangible fixed assets, mainly freehold property including the Hospice building.

As at 31 March 2022, the Consolidated Balance Sheet total was £15.64 million (2021 – £15.76 million).

##### **4.2. Investment Policy and objectives**

The charity's investment objective for short-term reserves is to preserve the capital value with a minimum level of risk ensuring that the Hospice is able to meet unanticipated cash flow requirements. Funds treated as short-term would usually be invested only in a mix of short and medium-term deposits.

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## **St Michael's Hospice Hastings and Rother**

### **Report of the Trustees and strategic report (continued) For the year ended 31 March 2022**

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The investment objective for long-term reserves is to secure a return in excess of inflation, generating an income to support the Hospice's on-going activities. The Hospice has adopted an ethical investment policy to ensure that its investments do not conflict with its aims, and therefore precludes direct or indirect investments in companies that generate revenue from tobacco or arms and those companies whose principal activity is either gambling or pornography.

#### **4.3. Investment performance**

At 31 March 2022, the market value of the portfolio was £6.1 million, with an estimated yield of 2%.

Members of the Finance Committee review the brief given to the investment managers on an annual basis with regard to the proportion of investments to be held in each asset category, the level of risk which is acceptable and the level of income required.

#### **4.4. Risk management**

Risk registers are reviewed by the Leadership Team on a monthly basis and by the Governance, Audit and Risk, People and Clinical Governance Committees, on a bi-monthly or quarterly basis, identifying potentially significant risks, assessing their likelihood and impact and agreeing mitigating action. Corporate risks are subsequently reported to the Board at each meeting.

The key risks faced by the charity in 2021/22 as identified in risk registers were:

**Nursing workforce shortages:** the national shortage of specialist palliative care nurses combined with the impact of the pandemic on healthcare workers continued to adversely affect the Hospice, and in particular the community nursing service. Pay for all clinical employees is reviewed annually and benchmarked against equivalent roles in the NHS. The employee assistance programme introduced the prior year is supporting people to get more timely clinical interventions and expediting their return to work. A nursing competency/skills framework has been introduced to enable career progression and new "associate" roles have been introduced to good effect. The Hospice continues to work closely with NHS colleagues to tackle nurse recruitment at system level.

**COVID-19:** The risks associated with COVID-19 continued to be assessed throughout the year in relation to the people the Hospice supports, income generation, workforce and environment. When restrictions were relaxed the Hospice took a cautious approach to reinstating group Wellbeing activities and even now some patients are reluctant to engage in group activities. The workforce and the services the Hospice is able to offer continues to be impacted by people with COVID-19.

**Reputation damage:** The Hospice is known as a quality health care provider and its reputation is of vital importance. Changes to service delivery, as a result of COVID-19 and workforce shortages, and a reliance on health and social care partners to work collaboratively to provide a seamless, and not duplicated service means there is an increased risk of complaints and reputational damage. Some rebranding of services has taken place to ensure that the public are clear about the Hospice offer and comments and complaints are promptly responded to and investigated to ensure lessons learned are used to improve practice.

**Risks associated with business continuity, e.g. a major incident, a serious failure in utilities and IT failure due to cyber-attack, virus, breakdown or hacking:** Policies and procedures are subject to ongoing review and updating to ensure compliance with best practice and legislation. Vantage-Sentinel continues to provide oversight of the potential risks the charity faces enabling proactive steps to be taken to mitigate these. A tendering process was undertaken in 2021/22 and a new IT managed services provider appointed. The new

## **St Michael's Hospice Hastings and Rother**

### **Report of the Trustees and strategic report (continued) For the year ended 31 March 2022**

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provider took responsibility for this service from 1 April 2022, completed an audit of the IT infrastructure during the first quarter and an IT development programme was approved by the Board in July 2022.

#### **4.5. Fundraising**

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their fundraising activities.

The Hospice is committed to its donors and remains dedicated to treating all donors and supporters with the highest level of care, consideration and respect. The Hospice undertakes fundraising activity via support from volunteer fundraising in the community, applying to and partnering with companies and grant-giving trusts, direct mailings and appeals and the organising of events. Many of these activities continued to be severely restricted during 2021/22 due to the pandemic.

St Michael's Hospice Lottery Limited also runs a weekly lottery with the profits of the company being gift aided to the charity. The work of the Lottery Team is regulated by the Gambling Commission.

St Michael's Hospice Hastings and Rother is registered with the Fundraising Regulator and abides by the Regulator's Code of Fundraising Practice and the Fundraising Promise. The Hospice is careful to ensure that it takes all reasonable steps to treat a donor fairly, enabling donors to make an informed decision about any potential donation. The Hospice adopts guidance on best fundraising practice provided by regulatory bodies, and will continue to do so as these are updated.

During the year to 31 March 2022, there were two complaints in relation to fundraising. One was a failure to update the Lottery team that a supporter had died and the second was a supporter who was not issued with a receipt when making a donation. Both incidents were investigated, action taken and responses, with apologies, sent in line with the Hospice policy.

#### **5. PLANS FOR THE FUTURE**

The Hospice's new strategy is based on a public health model and adopts the principles of health promoting palliative care. It recognises that compassionate, supportive and strong communities make a significant contribution to enabling people to live with dying, death and loss, and that whilst the Hospice's unique role is to provide specialist palliative and end of life care, it also has roles in:

- understanding, educating and collaborating with generalist palliative care providers
- listening to, enabling, energising and empowering communities
- influencing, supporting and advising civic institutions, such as schools, workplaces, local councils and cultural or faith organisations.

Over the next three years the Hospice plans to do the following:

##### **a. Provide high quality specialist palliative and end of life care**

As the specialist palliative care provider in Hastings and Rother, the Hospice's focus is on the total care of individuals with life-limiting illnesses and their families. Its expert multi-disciplinary team will:

- enable people living with serious, advanced, life-limiting illness to live as fully as possible
  - provide compassionate, specialist care at the end of life
  - support people through the challenges of dying, death and loss
  - provide specialist education and advice in relation to dying, death and loss.
-

## **St Michael's Hospice Hastings and Rother**

### **Report of the Trustees and strategic report (continued) For the year ended 31 March 2022**

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#### **b. Collaborate with health and social care partners**

As the specialist provider, the Hospice will be responsive to the needs of generalist palliative care colleagues through understanding and proactively addressing their needs and the needs of the individuals they support. The Hospice will collaborate with them to ensure integrated clinical services, providing advice 24/7 and its knowledge and expertise will be shared widely to empower others.

#### **c. Support compassionate communities**

The Hospice recognises the community's ability to support those living with dying, death and loss and will enhance this by encouraging a compassionate community across Hastings and Rother. To sustain a compassionate community, the Hospice will support those closest to the person living with the illness by providing practical and emotional support, and encourage neighbourhoods to build supportive networks to assist those caregivers in their community. This will align with the new Integrated Care System.

The Hospice's income generating activities (fundraising, lottery and retail) will engage communities, encourage wellbeing and address issues such as social isolation and coping with loss.

#### **d. Influence civic institutions**

Civic institutions such as schools, workplaces, and local councils can support people living with dying, death and loss and the Hospice will positively influence this whilst developing and maintaining relationships with these institutions. Its role will be to support and advise, acting when invited to do so or when a need is identified.

As a large local employer, the Hospice recognises its responsibility in supporting members of its own team affected by life limiting illness, caring responsibilities and bereavement, and aims to be an exemplar organisation in this regard. To this end it is participating in the Hospice UK Compassionate Employers programme and will use the learning from this to support other organisations in Hastings and Rother.

In addition to these strategic priorities the Hospice will continue its EDI work by ensuring each department has an EDI objective and making Conscious Inclusion training part of mandatory training for all employees and Trustees. The Hospice will also be presenting progress following the EDI audit at the Hospice UK conference in November 2022.

There is also a firm commitment to improve the physical environment for patients, families, visitors, employees and volunteers. The Board will consider options, alongside financial and other implications of this in 2022/23.

Plans to bring a public art trail to the streets of Hastings and Rother will finally come to fruition in June 2022 when 30, five-foot rubber duck sculptures will adorn the streets. At the end of the summer, the ducks will be sold, at auction, to help generate income for the Hospice. But raising funds is not the only reason for doing an art trail. Wellbeing is one of the core principles of the Hospice's care and support and an outdoor art trail extends this beyond the Hospice. By following the ducks, the aim is for people to find the opportunity to focus on their own wellbeing, time to admire the sea, concentrate on breathing deeply; a moment to themselves or to enjoy with family and friends, take gentle exercise, or quiet time for reflection.

The ducks are also conversation starters; through them the Hospice hopes to reach more people who may benefit from its care and support. A further aim is that the art trail will enable the Hospice to integrate more with the local community that has so generously supported it for over 35 years.



**St Michael's Hospice Hastings and Rother**

**Report of the Trustees and strategic report (continued)  
For the year ended 31 March 2022**

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**Statement of Trustees' responsibilities**

The Trustees (who are also Directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and 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 these 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

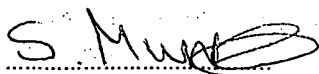
The Trustees are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditors**

Saffery Champness LLP were auditors during the period and their reappointment will be considered at the annual general meeting.

The Trustees have taken advantage of the small companies' regime in preparing the Trustees' Annual Report.

On behalf of the board



Mrs S C Munroe  
Trustee

11/10/22  
Date

## **St Michael's Hospice Hastings and Rother**

### **Independent auditors' report to the members For the year ended 31 March 2022**

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#### **Opinion**

We have audited the financial statements of St Michael's Hospice Hastings and Rother (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group statement of financial activities, the group and charity balance sheets, the group cash flow statement and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The 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 Michael's Hospice Hastings and Rother**

### **Independent auditors' report to the members (continued)**

**For the year ended 31 March 2022**

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

We have nothing to report in this regard.

### **Other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report which includes the Directors' Report and the Strategic 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 the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities on page 15, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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## **St Michael's Hospice Hastings and Rother**

### **Independent auditors' report to the members (continued) For the year ended 31 March 2022**

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#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

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

#### *Identifying and assessing risks related to irregularities:*

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Further the group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the group's operations. We identified the most significant laws and regulations to be those issued by the Care Quality Commission covering health care services and those issued by the Gambling Commission covering the requirements for running a lottery.

#### *Audit response to risks identified:*

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that

**St Michael's Hospice Hastings and Rother**

**Independent auditors' report to the members (continued)**  
**For the year ended 31 March 2022**

were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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



Cara Turtington (Senior Statutory Auditor)  
for and on behalf of Saffery Champness LLP

Saffery Champness LLP  
Chartered Accountants  
Statutory Auditors

71 Queen Victoria Street  
London  
EC4V 4BE

1 November 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**St Michael's Hospice Hastings and Rother**

**Consolidated statement of financial activities (incorporating an income and expenditure account)  
For the year ended 31 March 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
<b>Income and endowments from</b>					
Donations and legacies	3	2,478,335	136,140	2,615,475	2,608,674
<b>Charitable activities</b>					
Hospice services	6	2,363,692	-	2,363,692	2,474,389
Subsidiaries' trading activities	4	1,453,651	-	1,453,651	1,378,770
Other trading activities	4	293,690	-	293,690	117,896
Investment income	5	111,218	-	111,218	117,829
<b>Total</b>		<b>6,700,586</b>	<b>136,140</b>	<b>6,836,726</b>	<b>6,697,558</b>
<b>Expenditure on</b>					
Raising donations	7	514,385	-	514,385	431,049
Trading companies' costs	7	884,221	-	884,221	720,253
<b>Charitable activities</b>					
Hospice services	8	5,514,014	41,080	5,555,094	5,391,091
<b>Total</b>		<b>6,912,620</b>	<b>41,080</b>	<b>6,953,700</b>	<b>6,542,393</b>
<b>Net (losses)/gains on investments</b>	14	(9,617)	-	(9,617)	432,005
<b>Net (expenditure)/income</b>		(221,651)	95,060	(126,591)	587,170
Transfers between funds	23	1,473	(1,473)	-	-
<b>Net movement in funds</b>		<b>(220,178)</b>	<b>93,587</b>	<b>(126,591)</b>	<b>587,170</b>
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		<b>15,657,224</b>	<b>106,441</b>	<b>15,763,665</b>	<b>15,176,495</b>
<b>Total funds carried forward</b>	24	<b>15,437,046</b>	<b>200,028</b>	<b>15,637,074</b>	<b>15,763,665</b>

**Continuing operations**

All incoming resources and resources expended arise from continuing activities.

The notes on pages 24 to 48 form part of these financial statements.

**St Michael's Hospice Hastings and Rother**

**Consolidated and charity balance sheets  
As at 31 March 2022**

		<b>Group 2022 £</b>	<b>Charity 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2021 £</b>
<b>Fixed assets</b>					
Tangible assets	<b>16</b>	4,710,576	3,969,397	4,920,703	4,147,866
Investments	<b>17</b>	6,111,804	6,111,905	4,059,944	4,060,045
		<u>10,822,380</u>	<u>10,081,302</u>	<u>8,980,647</u>	<u>8,207,911</u>
<b>Current assets</b>					
Stocks	<b>18</b>	17,226	15,643	55,329	52,271
Debtors	<b>19</b>	640,500	1,599,665	319,595	1,443,102
Cash at bank and in hand		4,632,795	4,457,154	6,803,209	6,396,688
		<u>5,290,521</u>	<u>6,072,462</u>	<u>7,178,133</u>	<u>7,892,061</u>
<b>Creditors: amounts falling due within one year</b>	<b>20</b>	(475,827)	(326,623)	(395,115)	(261,919)
<b>Net current assets</b>		<u>4,814,694</u>	<u>5,745,839</u>	<u>6,783,018</u>	<u>7,630,142</u>
<b>Total assets less current liabilities</b>		<u>15,637,074</u>	<u>15,827,141</u>	<u>15,763,665</u>	<u>15,838,053</u>
<b>Net assets</b>		<u>15,637,074</u>	<u>15,827,141</u>	<u>15,763,665</u>	<u>15,838,053</u>
<b>Funds</b>	<b>23</b>				
Unrestricted funds		15,437,046	15,627,113	15,657,224	15,731,612
Restricted funds		200,028	200,028	106,441	106,441
<b>Total funds</b>		<u>15,637,074</u>	<u>15,827,141</u>	<u>15,763,665</u>	<u>15,838,053</u>

The total income of the Hospice as an individual entity for the year was £6,452,989 (2021 - £6,390,938) and its net deficit was £10,909 (2021 – surplus of £662,313). A Statement of Financial Activities for the Hospice as an individual entity is not included using the exemption given in section 408 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 20 September 2022 and were signed on its behalf by



Mrs S C Munroe  
Trustee

The notes on pages 24 to 48 form part of these financial statements.  
Company number 01776496

**St Michael's Hospice Hastings and Rother**

**Consolidated cash flow statement  
For the year ended 31 March 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations	A	(192,410)	547,377
<b>Net cash (used in)/provided by operating activities</b>		(192,410)	547,377
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(27,953)	(76,522)
Purchase of fixed asset investments		(1,881,283)	(3,140,741)
Proceeds from sale of fixed assets		208	21
Proceeds from sale of investments		366,926	1,840,520
Investment income		111,218	117,829
<b>Net cash used in investing activities</b>		(1,430,884)	(1,258,893)
<b>Change in cash and cash equivalents in the reporting period</b>	B	(1,623,294)	(711,516)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		6,855,844	7,567,360
<b>Cash and cash equivalents at the end of the reporting period</b>	B	5,232,550	6,855,844

The notes on pages 24 to 48 form part of these financial statements.



**St Michael's Hospice Hastings and Rother**

**Notes to the cash flow statement  
For the year ended 31 March 2022**

**A. Reconciliation of net income to net cash flow**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Net (expenditure)/income for the reporting period (as per the statement of financial activities)</b>	<b>(126,591)</b>	<b>587,170</b>
<b>Adjustments for:</b>		
Depreciation charges	237,808	284,071
Losses/(gains) on investments	9,617	(432,005)
Loss/(profit) on disposal of fixed assets	64	389
Investment income	(111,218)	(117,829)
Decrease in stocks	38,103	6,084
(Increase)/decrease in debtors	(320,905)	195,984
Increase in creditors	80,712	23,513
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(192,410)</b>	<b>547,377</b>

**B. Analysis of cash and cash equivalents**

	<b>At 31 March 2021</b>	<b>Movement</b>	<b>At 31 March 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	6,803,209	(2,710,414)	4,632,795
Investment cash	52,635	547,120	599,755
	<b>6,855,844</b>	<b>(1,623,294)</b>	<b>5,232,550</b>

## **St Michael's Hospice Hastings and Rother**

### **Notes to the financial statements For the year ended 31 March 2022**

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#### **1. Statutory information**

St Michael's Hospice Hastings and Rother is a private charitable company limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found in the reference and administrative details in the Report of the Trustees.

#### **2. Accounting policies**

##### **2.1 Accounting convention**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, and group have been prepared in accordance with the second edition of the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

##### **2.2 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. Given the appropriate consideration of risks and mitigation actions that have been undertaken throughout the Covid-19 pandemic, together with a review of the Charity's financial position, level of reserves and future strategic plans, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **2.3 Incoming resources**

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

###### **2.3.1 Gifts in kind**

Gifts donated for resale are included as income when they are sold. Donated items for use in the Hospice are valued at a reasonable approximation to market value. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

###### **2.3.2 Fees, contributions and grants**

These comprise amounts receivable during the year.

###### **2.3.3 Voluntary income**

Voluntary income represents amounts received during the year.

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**

**For the year ended 31 March 2022**

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**2. Accounting policies (continued)**

**2.3.4 Legacies**

Reversionary legacies are accounted for on receipt. Pecuniary and residuary legacies are accounted for at the earlier of receipt of the legacy or the point at which the final accounts of the estate are agreed by the charity. In the event that legacies are settled after the accounting year end they are included in the accounts provided the charity was certain of the amounts to be distributed at the balance sheet date.

The hospice has received notification of a number of legacies which have not been included in these accounts because they are not certain in value or certain of receipt.

**2.3.5 Investment income**

Investment income comprises amounts receivable during the year.

**2.3.6 Shop income**

Shop income generated by one of the trading subsidiaries represents net invoiced sales of goods, excluding valued added tax.

**2.3.7 Lottery income**

Lottery income generated by one of the trading subsidiaries represents ticket sales received in respect of lotteries held during the year and scratch card sales.

Income from tickets sold in advance of a draw being held is carried forward to the period in which the draw takes place.

**2.3.8 Debtors**

Income resources recognised in the year but not received at the year end are included within debtors unless there are doubts as to the estimation of value or likelihood of receipt.

**2.4 Resources expended**

Liabilities are recognised as expenditure as soon as there is a legal obligation or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where cost cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

**2.5 Allocation and apportionment of costs**

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

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**2. Accounting policies (continued)**

**2.6 Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	2% and 10% on cost
Fixtures, fittings and equipment	15% to 33% on cost
Motor vehicles	25% on cost

Where extensions and improvements have been made to freehold property, depreciation has been charged over the remaining life of the underlying property.

No depreciation is provided on freehold land.

**2.7 Investments**

Listed investments are included at market value at the year end. Gains and losses on disposal and revaluation of investments are charged or credited to the Statement of Financial Activities.

**2.8 Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Donated items are not valued until sold. Consequently, no value is attributed to their stock carrying value, as this cannot be determined with certainty until sold.

**2.9 Leasing commitments**

Operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

**2.10 Taxation**

The charity is party to a group registration for VAT purposes and is therefore able to recover some but not all of the VAT the charity incurs. Irrecoverable VAT is charged as a single item in the Statement of Financial Activities.

The charity is exempt from corporation tax on its charitable activities and therefore no provision has been made for either corporation tax or deferred tax.

Where a trading subsidiary is registered for VAT the expenditure is shown exclusive of VAT.

Both trading subsidiaries have entered an agreement to covenant their taxable profits to the parent undertaking and therefore no corporation tax provision is required.

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

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**2. Accounting policies (continued)**

**2.11 Fund accounting**

In the Trustees' opinion, with certain exceptions, the incoming resources and resources expended are all derived for the benefit of running the Hospice. Therefore, the Trustees choose to classify all income and expenditure as unrestricted. In certain instances, funds may be designated by the Trustees for specific purposes.

Where funds are received for a significant and specific project these are allocated to restricted funds. These funds are then used to meet the capital costs of that specific project by way of an annual depreciation charge set against the restricted fund. Any funds received in excess of the capital requirements of the project will be used to help with the associated future running costs of the project.

Other restricted funds are those funds donated for purposes specified by the donor and these are tracked and expended in accordance with the donors' wishes.

**2.12 Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**2.13 Critical estimates and judgements**

Management have made certain estimates and judgements in the preparation of the financial statements of the Hospice. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from those estimates. The Trustees consider the evaluation of the useful economic life of fixed assets and the future receipt of legacy debtors at the year end to be the areas of judgement with a significant effect on the financial statements.

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**3. Donations and legacies**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Donations and gifts	450,098	439,308
In memoriam	208,035	230,343
Regular giving and Gift Aid	100,289	96,131
Legacies	1,510,700	645,865
Grants received	345,353	1,197,027
	<u>2,614,475</u>	<u>2,608,674</u>

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Grants from government sources received, included in the above, are as follows:		
CIRS Furlough income	16,770	61,841
Sector support grant (via Hospice UK)	220,336	1,056,388
Sector support grant (via CCG)	-	76,798
	<u>-</u>	<u>-</u>

**4. Trading activities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Trading subsidiaries</b>		
Lottery income	919,526	994,999
Retail income	534,125	383,771
	<u>1,453,651</u>	<u>1,378,770</u>

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Other trading activities</b>		
Fundraising events	265,125	105,703
Arthur Easton hall hire	2,725	90
Coffee shop and catering	2,096	5
Sundry income	23,744	12,098
	<u>293,690</u>	<u>117,896</u>

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**5. Investment income**

	2022 £	2021 £
Income from UK listed investments	80,137	80,164
Deposit account interest	25,381	31,965
Rents	5,700	5,700
	<u>111,218</u>	<u>117,829</u>

**6. Income from charitable activities**

	2022 £	2021 £
Grants	2,362,783	2,316,290
Palliative care fees	-	157,823
Patient income	909	276
Rents	-	-
	<u>2,363,692</u>	<u>2,474,389</u>

Grants from government sources received, included in the above, are as follows:

	2022 £	2021 £
Hastings and Rother CCG	<u>2,362,783</u>	<u>2,316,290</u>

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**7. Raising funds**

	<b>Raising donations £</b>	<b>Trading companies' costs £</b>	<b>Total 2022 £</b>
Staff costs	394,273	396,812	791,085
Cost of sales	-	94,534	94,534
Lottery Prizes	-	193,953	193,953
Premises	15,957	144,535	160,492
Depreciation	13,110	31,658	44,768
Other direct costs	91,045	22,729	113,774
	<u>514,385</u>	<u>884,221</u>	<u>1,398,606</u>

**2021 comparative**

	<b>Raising donations £</b>	<b>Trading companies' costs £</b>	<b>Total 2021 £</b>
Staff costs	358,487	347,380	705,867
Cost of sales	-	30,875	30,875
Lottery Prizes	-	156,788	156,788
Premises	10,149	107,190	117,339
Depreciation	15,938	33,448	49,386
Other direct costs	46,475	44,572	91,047
	<u>431,049</u>	<u>720,253</u>	<u>1,151,302</u>



**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**8. Charitable activities costs**

	Direct costs (Note 9) £	Support costs (Note 10) £	Total 2022 £
Hospice services	4,621,112	811,418	5,432,530
Other	-	122,564	122,564
	<u>4,621,112</u>	<u>933,982</u>	<u>5,555,094</u>

**2021 comparative**

	Direct costs (Note 9) £	Support costs (Note 10) £	Total 2022 £
Hospice services	4,524,189	789,873	5,314,062
Other	-	77,029	77,029
	<u>4,524,189</u>	<u>866,902</u>	<u>5,391,091</u>

**9. Direct costs of charitable activities**

	2022 £	2021 £
Staff costs	3,600,584	3,535,687
Clinical costs	342,012	406,248
Training costs	50,298	30,130
Premises	223,536	142,182
Depreciation	183,658	223,268
Other direct costs	221,024	186,674
	<u>4,621,112</u>	<u>4,524,189</u>

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**10. Support costs**

Support costs are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Staff costs	759,929	752,311
Rates and water	354	451
Insurance	2,215	1,868
Light and heat	3,886	2,416
Telephone	1,628	1,689
Postage, stationery and IT	7,086	5,653
Sundries	16,344	3,561
Property rental	4,526	6,776
Repairs and maintenance	6,059	3,732
Freehold property depreciation	9,391	11,416
	<u>811,418</u>	<u>789,873</u>

**Governance costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank charges	6,634	6,976
Legal and professional fees	81,990	45,314
Auditors' remuneration	17,710	10,750
Auditors' remuneration in respect of accountancy and other services	16,230	-
	<u>122,564</u>	<u>77,029</u>

**11. Net income/expenditure**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration for Charity audit		
Current year	13,150	10,750
Prior year	4,560	-
Auditors' remuneration in respect of accountancy and other services, including the audit and accountancy fees of subsidiaries	16,230	13,989
Depreciation	237,808	284,071
Loss/(surplus) on disposal of fixed assets	-	389
	<u></u>	<u></u>

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**12. Trustees' remuneration and benefits**

There was no Trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

**Trustees' expenses**

No expenses were reimbursed to any Trustee in the year to 31 March 2022 nor for the year ended 31 March 2021.

**13. Staff costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,407,633	4,309,770
Social security costs	380,011	361,232
Other pension costs	324,949	310,928
Other staff costs	39,005	4,919
	<u>5,151,598</u>	<u>4,986,849</u>

The average monthly number of employees (based on head count) during the year was:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Nursing and medical	99	103
Catering and housekeeping	15	15
Maintenance	7	7
Training	2	2
Fundraising	9	11
Administration	23	24
Bereavement	6	8
Lottery	5	5
Retail	17	18
	<u>183</u>	<u>193</u>

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

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**13. Staff costs (continued)**

The numbers of employees whose emoluments for the year fell within the following bands were:

	<b>2022</b> <b>Number</b>	<b>2021</b> <b>Number</b>
£60,000 to £69,999	1	2
£70,000 to £79,999	-	-
£80,000 to £89,999	-	1
£90,000 to £99,999	1	1
£100,000 to £109,999	1	1

The key management personnel comprise members of the Leadership Team. The total employee benefits of the key management personnel of the charity were £597,564 (2021 - £540,462).

**14. Gains/(losses) on investments**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Realised gains	68,994	31,304
Unrealised gains/(losses)	(78,611)	400,701
	<u>(9,617)</u>	<u>432,005</u>

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**15. Comparatives for the statement of financial activities**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2021 Total funds £</b>
<b>Income and endowments from</b>			
Donations and legacies	2,522,572	86,102	2,608,674
<b>Charitable activities</b>			
Hospice services	2,474,389	-	2,474,389
Subsidiaries' trading activities	1,378,770	-	1,378,770
Other trading activities	117,896	-	117,896
Investment income	117,829	-	117,829
<b>Total</b>	<b>6,611,456</b>	<b>86,102</b>	<b>6,697,558</b>
<b>Expenditure on</b>			
Raising donations	431,049	-	431,049
Trading companies' costs	720,253	-	720,253
<b>Charitable activities</b>			
Hospice services	5,377,619	13,472	5,391,091
<b>Total</b>	<b>6,528,921</b>	<b>13,472</b>	<b>6,542,393</b>
<b>Net (losses)/gains on investments</b>	<b>432,005</b>	<b>-</b>	<b>432,005</b>
<b>Net income</b>	<b>514,540</b>	<b>72,630</b>	<b>587,170</b>
<b>Transfers between funds</b>	<b>(7,926)</b>	<b>7,926</b>	<b>-</b>
<b>Net movement in funds</b>	<b>506,614</b>	<b>80,556</b>	<b>587,170</b>
<b>Reconciliation of funds</b>			
<b>Total funds brought forward</b>	<b>15,150,610</b>	<b>25,885</b>	<b>15,176,495</b>
<b>Total funds carried forward</b>	<b>15,657,224</b>	<b>106,441</b>	<b>15,763,665</b>

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**16. Tangible fixed assets**

Group	Freehold property £	Assets under construction £	Fixtures fittings and equipment £	Motor vehicles £	Totals £
<b>Cost</b>					
At 1 April 2021	6,378,309	-	1,198,154	161,506	7,737,969
Additions	-	3,500	24,453	-	27,953
Transfers	-	-	-	-	-
Disposals	-	-	(451)	-	(451)
<b>At 31 March 2022</b>	<b>6,378,309</b>	<b>3,500</b>	<b>1,222,156</b>	<b>161,506</b>	<b>7,765,471</b>
<b>Depreciation</b>					
At 1 April 2021	1,626,077	-	1,056,715	134,474	2,817,266
Charge for year	166,127	-	57,657	14,024	237,808
Eliminated on disposal	-	-	(179)	-	(179)
<b>At 31 March 2022</b>	<b>1,792,204</b>	<b>-</b>	<b>1,114,193</b>	<b>148,498</b>	<b>3,054,895</b>
<b>Net book value</b>					
At 31 March 2022	4,586,105	3,500	107,963	13,008	4,710,576
At 31 March 2021	4,752,232	-	141,439	27,032	4,920,703

Included in freehold property is land of £152,761 (2021 - £152,761) which is not depreciated.

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**16. Tangible fixed assets (continued)**

Charity	Freehold property £	Assets under construction £	Fixtures fittings and equipment £	Motor vehicles £	Totals £
<b>Cost</b>					
At 1 April 2021	5,412,821	-	1,173,267	121,814	6,707,902
Additions	-	3,500	24,453	-	27,953
Transfers	-	-	-	-	-
Disposals	-	-	(451)	-	(451)
<b>At 31 March 2022</b>	<b>5,412,821</b>	<b>3,500</b>	<b>1,197,269</b>	<b>121,814</b>	<b>6,735,404</b>
<b>Depreciation</b>					
At 1 April 2021	1,431,518	-	1,033,736	94,782	2,560,036
Charge for year	135,746	-	56,380	14,024	206,150
Eliminated on disposal	-	-	(179)	-	(179)
<b>At 31 March 2022</b>	<b>1,567,264</b>	<b>-</b>	<b>1,089,937</b>	<b>108,806</b>	<b>2,766,007</b>
<b>Net book value</b>					
At 31 March 2022	3,845,557	3,500	107,332	13,008	3,969,397
At 31 March 2021	3,981,303	-	139,531	27,032	4,147,866

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**17. Fixed asset investments**

<b>Group</b>		<b>Listed investments £</b>	<b>Cash held for investment £</b>	<b>Totals £</b>
<b>Market value</b>				
At 1 April 2021		4,007,309	52,635	4,059,944
Additions		1,881,283	-	1,881,283
Disposals		(297,932)	-	(297,932)
Revaluations		(78,611)	-	(78,611)
Cash movement		-	547,120	547,120
<b>At 31 March 2022</b>		<b>5,512,049</b>	<b>599,755</b>	<b>6,111,804</b>
<b>Net book value</b>				
At 31 March 2022		5,512,049	599,755	6,111,804
At 31 March 2021		4,007,309	52,635	4,059,944
<b>Charity</b>	<b>Shares in group undertakings £</b>	<b>Listed investments £</b>	<b>Cash held for investment £</b>	<b>Totals £</b>
<b>Market value</b>				
At 1 April 2021	101	4,007,309	52,635	4,060,045
Additions	-	1,881,283	-	1,881,283
Disposals	-	(297,932)	-	(297,932)
Revaluations	-	(78,611)	-	(78,611)
Cash movement	-	-	547,120	547,120
<b>At 31 March 2022</b>	<b>101</b>	<b>5,512,049</b>	<b>599,755</b>	<b>6,111,905</b>
<b>Net book value</b>				
At 31 March 2022	101	5,512,049	599,755	6,111,905
At 31 March 2021	101	4,007,309	52,635	4,060,045

There were no investment assets outside the UK.



# St Michael's Hospice Hastings and Rother

## Notes to the financial statements (continued)

For the year ended 31 March 2022

### 17. Fixed asset investments (continued)

The charity holds 20% or more of the share capital of the following companies:

Company	Country of incorporation	Class	Shares %
St Michael's Hospice (Retail) Limited – 02404963	England & Wales	Ordinary	100%
St Michael's Hospice Lottery Limited – 03351501	England & Wales	Ordinary	100%

St Michael's Hospice (Retail) Limited operates many charity shops. St Michael's Hospice Lottery Limited supports the Hospice through fundraising largely from the operation of a lottery. Both companies covenant their taxable profits to the parent company where possible.

A summary of the result of these undertakings is set out below:

	St Michael's Hospice (Retail) Limited		St Michael's Hospice Lottery Limited	
	2022	2021	2022	2021
	£	£	£	£
Turnover	516,745	153,582	919,410	994,089
Cost of sales	(94,534)	(5,426)	(193,953)	(182,237)
<b>Gross profit</b>	<b>422,211</b>	<b>148,156</b>	<b>725,457</b>	<b>811,852</b>
Administrative expenses	(555,275)	(453,488)	(115,343)	(109,292)
Other income	17,381	230,190	116	910
<b>Net profit/(loss)</b>	<b>(115,683)</b>	<b>(75,142)</b>	<b>610,230</b>	<b>703,470</b>
Assets – fixed and current	806,407	1,039,862	151,530	155,615
Liabilities	(996,447)	(1,114,219)	(151,456)	(155,541)
	(190,040)	(74,357)	74	74
Share capital	100	100	1	1
Retained reserves	(190,140)	(74,457)	73	73
	(190,040)	(74,357)	74	74

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**18. Stocks**

<b>Group</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Stocks	17,226	55,329
<b>Charity</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Stocks	15,643	52,271

**19. Debtors**

**Group: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	135,934	22,054
Other debtors and prepayments	106,540	117,251
VAT	47,259	33,896
Accrued income receivable	350,767	146,394
	640,500	319,595

**Charity: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	118,473	22,054
Amounts owed by group undertakings	146,799	283,194
Prepayments	101,403	111,309
VAT	37,966	28,291
Accrued income receivable	343,024	146,254
	747,665	591,102

**Charity: Amounts falling due after one year**

Amounts owed by group undertakings	852,000	852,000
	1,599,665	1,443,102

Amounts falling due after more than one year relates to a loan to St Michael's Hospice (Retail) Limited, in order to purchase a warehouse. Interest is being charged at 2.5% per annum, with £21,300 (2021 - £21,300) being received during the year. There are no fixed terms for repayment but the Trustees have given assurances that repayment won't be sought before January 2024.

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**20. Creditors**  
**Amounts falling due within one year**

<b>Group</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	169,255	206,659
Pension creditor	46,491	43,643
Lottery ticket sales paid in advance	108,648	112,724
Other creditors	6,456	2,238
Accruals and deferred income	144,977	29,851
	<u>475,827</u>	<u>395,115</u>
<b>Charity</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	140,394	187,019
Pension creditor	46,491	43,643
Other creditors	5,152	653
Accruals and deferred income	134,586	30,604
	<u>326,623</u>	<u>261,919</u>

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**21. Operating lease commitments**

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

<b>Group</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Expiring:		
Within one year	55,215	60,510
Between one and five years	36,438	52,234
In more than five years	-	-
	<u>91,653</u>	<u>112,744</u>
<b>Charity</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Expiring:		
Within one year	19,633	20,727
Between one and five years	16,622	14,336
In more than five years	-	-
	<u>36,255</u>	<u>35,063</u>

**22. Pension commitments**

For qualifying St Michael's Hospice Hastings and Rother staff, participation in the NHS Superannuation Scheme provides benefits based on final pensionable pay, a defined benefit scheme. The contributions paid by the charity in respect of the NHS Superannuation scheme are accounted for as if the scheme was a defined contribution scheme as the charity is unable to identify its share of the underlying assets and liabilities in the scheme. The Government Actuary, using the Projected Unit Method, determines contributions charged to the Statement of Financial Activities.

For staff that do not qualify to join the NHS Superannuation Scheme, the charity operates two further defined contribution pension schemes. Contributions are charged to the Statement of Financial Activities in the period to which they related.

The total contributions paid to both pension schemes for the year ended 31 March 2022 are shown in note 13. The amount outstanding at the balance sheet date is £46,491 (2021 – £43,643).

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**23. Movement in funds**

Current year	At 1 April 2021 £	Net movement in funds £	Transfers between funds £	At 31 March 2022 £
<b>Unrestricted funds</b>				
General fund	5,336,522	(20,871)	10,819	5,326,470
Fixed assets	4,920,702	(200,780)	(9,346)	4,710,576
Strategic Development fund	2,000,000	-	-	2,000,000
Contingency fund	3,400,000	-	-	3,400,000
	<u>15,657,224</u>	<u>(221,651)</u>	<u>1,473</u>	<u>15,437,046</u>
<b>Restricted funds</b>				
Rolling equipment replacement	52,987	30,441	(140)	83,288
Other funds	53,454	(5,006)	(1,333)	47,115
SystemOne Implementation	-	25,730	-	25,730
Big Lottery Compassionate Communities	-	43,895	-	43,895
	<u>106,441</u>	<u>95,060</u>	<u>(1,473)</u>	<u>200,028</u>
<b>Total</b>	<u>15,763,665</u>	<u>(126,591)</u>	<u>-</u>	<u>15,637,074</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	6,700,586	(6,711,840)	(9,617)	(20,871)
Fixed asset fund	-	(200,780)	-	(200,780)
	<u>6,700,586</u>	<u>(6,912,620)</u>	<u>(9,617)</u>	<u>(221,651)</u>
<b>Restricted funds</b>				
Rolling equipment replacement	42,649	(12,208)	-	30,441
Other funds	15,468	(20,474)	-	(5,006)
SystemOne Implementation	25,730	-	-	25,730
Big Lottery Compassionate Communities	52,293	(8,398)	-	43,895
	<u>136,140</u>	<u>(41,080)</u>	<u>-</u>	<u>95,060</u>
<b>Total funds</b>	<u>6,836,726</u>	<u>(6,953,700)</u>	<u>(9,617)</u>	<u>(126,591)</u>

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**23. Movement in funds (continued)**

**Comparative year**

	<b>At 1 April 2020 £</b>	<b>Net movement in funds £</b>	<b>Transfers between funds £</b>	<b>At 31 March 2021 £</b>
<b>Unrestricted funds</b>				
General fund	4,821,948	798,611	(284,037)	5,336,522
Fixed assets	5,128,662	(284,071)	76,111	4,920,702
Strategic Development fund	2,000,000	-	-	2,000,000
Contingency fund	3,200,000	-	200,000	3,400,000
	<u>15,150,610</u>	<u>514,540</u>	<u>(7,926)</u>	<u>15,657,224</u>
<b>Restricted funds</b>				
Rolling equipment replacement	12,251	38,786	1,950	52,987
Other funds	13,634	33,844	5,976	53,454
	<u>25,885</u>	<u>72,630</u>	<u>7,926</u>	<u>106,441</u>
<b>Total</b>	<u>15,176,495</u>	<u>587,170</u>	<u>-</u>	<u>15,763,665</u>

Net movement in funds, included in the above are as follows:

	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains and losses £</b>	<b>Movement in funds £</b>
<b>Unrestricted funds</b>				
General fund	6,611,456	(6,244,850)	432,005	798,611
Fixed asset fund	-	(284,071)	-	(284,071)
	<u>6,611,456</u>	<u>(6,528,921)</u>	<u>432,005</u>	<u>514,540</u>
<b>Restricted funds</b>				
Rolling equipment replacement	44,436	(5,650)	-	38,786
Other funds	41,666	(7,822)	-	33,844
	<u>86,102</u>	<u>(13,472)</u>	<u>-</u>	<u>72,630</u>
<b>Total funds</b>	<u>6,697,558</u>	<u>(6,542,393)</u>	<u>432,005</u>	<u>587,170</u>

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**

**For the year ended 31 March 2022**

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**23. Movement in funds (continued)**

**Unrestricted funds**

The Trustees have applied the funds as shown above. Of the available funds held at the year-end £4,710,576 (2021 - £4,920,703) is held in the form of land and buildings and other tangible fixed assets.

Contingency funds are calculated each year according to the reserves policy set out in the Report of the Trustees. This policy identifies the cash resources needed to sustain twelve months of net running costs in the event of a severe downturn in voluntary income. The Trustees have retained a designated Contingency fund of £3,400,000 (2021 - £3,400,000).

The Trustees have retained a designated Strategic Development fund of £2,000,000 (2021 - £2,000,000).

The general fund at the year-end of £5,326,470 (2021 - £5,336,522) represents funds available to the Trustees to pursue and further the activities of the Hospice.

**Restricted funds**

Rolling Equipment Replacement – funds received to purchase new or upgrade existing equipment are recorded within the Rolling Equipment Replacement fund. Funds received during the year were all fully expended in accordance with their restriction, unless stated otherwise. The additional balance carried forward on the fund represents fixed assets held on the balance sheet.

Other funds – funds received for specific services or provision of small equipment where the balance remaining at the year end is less than £5,000.

Transfers out of restricted funds represent unspent balances released from restriction in accordance with the terms of the original donations.

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**24. Net Assets by fund – current year**

**Group**

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	4,710,576	-	4,710,576
Investments	6,111,804	-	6,111,804
Current assets	5,090,493	200,028	5,290,521
Current liabilities	(475,827)	-	(475,827)
<b>Net assets</b>	<b>15,437,046</b>	<b>200,028</b>	<b>15,637,074</b>

**Charity**

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	3,969,397	-	3,969,397
Investments	6,111,905	-	6,111,905
Current assets	5,872,434	200,028	6,072,462
Current liabilities	(326,623)	-	(326,623)
<b>Net assets</b>	<b>15,627,113</b>	<b>200,028</b>	<b>15,827,141</b>

**Net assets by fund – comparative year**  
**Group**

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	4,920,703	-	4,920,703
Investments	4,059,944	-	4,059,944
Current assets	7,071,692	106,441	7,178,133
Current liabilities	(395,115)	-	(395,115)
<b>Net assets</b>	<b>15,657,224</b>	<b>106,441</b>	<b>15,763,665</b>



**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**24. Net assets by fund – comparative year (continued)**

**Charity**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
Tangible fixed assets	4,147,866	-	4,147,866
Investments	4,060,045	-	4,060,045
Current assets	7,785,620	106,441	7,892,061
Current liabilities	(261,919)	-	(216,919)
<b>Net assets</b>	<b>15,731,612</b>	<b>106,441</b>	<b>15,838,053</b>

**25. Contingent liabilities**

There were no contingent liabilities as at 31 March 2022 nor at 31 March 2021.

**26. Capital commitments**

The charity had no building commitments as at the year-end (2021 - £nil).

**27. Contingent assets**

The charity has been notified of one legacy (2021 – one) which is subject to a life tenancy or other such condition. The total amount of the legacy is estimated at £100,000 (2021 - £100,000). It has not been included in the accounts.

**St Michael's Hospice Hastings and Rother**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2022**

**28. Related party transactions**

The charity had the following transactions with its subsidiary companies during the year:

	<b>St Michael's Hospice (Retail) Limited</b>		<b>St Michael's Hospice Lottery Limited</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Income during the year</b>	360,575	272,867	709,339	799,284
<b>Expenditure during the year</b>	-	-	-	-
<b>Balance receivable at the year end</b>	961,169	1,089,471	37,530	38,470

Income is generated from a donation of profits or a recharge of costs incurred on behalf of the subsidiaries. Expenditure is the reimbursement of reasonable costs incurred by the subsidiaries in the course of carrying out their business.

There are no other transactions with related parties to disclose.