

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 2021**



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St Michael's Hospice Hastings and Rother

Reference and administrative information

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	Irene Dibben (Chair)	(retired 31 December 2020)
	Susan Munroe (Chair)	(Trustee from 25 September 2020 and Chair from 1 January 2021)
	Steve Barnes	
	Evelyn Bignell	(resigned 31 May 2020)
	Tony Boardman	
	Dr Peter Dewhurst	
	Charles Everett	(retired 31 December 2020)
	Michael Foster	(retired 31 December 2020)
	Nigel Gaymer	
	Kerry Gentleman	
	Dr Rosie Guy	
	Nigel Kirby-Green	
	Geoff Longmire	
	Linda Stevens	
Company Secretary	Richard Ostle	(until 25 August 2021)
	Vinyo Aidam	(from 25 August 2021)
Chief Executive	Dr Karen Clarke	
Leadership Team	Vinyo Aidam	Director of Finance and Facilities
	Dr Declan Cawley	Medical Director
	Perdita Chamberlain	Director of Income Generation
	Penny Jones	Director of Nursing & Quality (until 31 July 2021)
	Rebecca Tiberini	Director of Wellbeing
	Caroline White	Director of Organisational Development

St Michael's Hospice Hastings and Rother

Reference and administrative information (continued)

Registered information

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

Professional advisors

Auditors	Saffery Champness LLP Chartered Accountants 71 Queen Victoria Street London EC4V 4BE
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Bankers	Lloyds Bank Plc 17 Wellington Place Hastings East Sussex TN34 1NX
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Solicitors	Gaby Hardwicke 34 Wellington Square Hastings East Sussex TN34 1PN
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Investment advisors	Rathbone Investment Management 8 Finsbury Circus London EC2M 7AZ
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The Trustees present their report and accounts for the year ended 31 March 2021 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.

**Report of the Trustees and strategic report (continued)
For the year ended 31 March 2021**

- rehabilitation - to optimise patients' independence and participation in activities meaningful to them
- a 24/7 in-patient and community service for patients and families.
- 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 189,270 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 are in need of 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

Report of the Trustees and strategic report (continued)
For the year ended 31 March 2021

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 until September 2020 and subsequently until September 2021. Throughout 2020/21 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 2020/21, the Board met formally eleven times. However, in order to support and keep pace with the changes the Hospice was making in response to COVID-19, the Board met virtually, weekly throughout April and then fortnightly during May, June, July and August. The Board held its annual Strategy Day, virtually, in November 2020.

The Audit, Health and Safety (Hospice and Retail/Lottery), and Clinical Governance Committees met quarterly; the Corporate Governance and Nominations Committee met six times (due to the Chairman recruitment process), the Investment Committee three times, and the Remuneration Committee met twice.

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.

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.

Report of the Trustees and strategic report (continued)
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The Board of Trustees has delegated responsibility for succession planning, recruitment and induction of Trustees to the Corporate Governance and Nominations 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 Corporate Governance and Nominations Committee will then interview candidates who meet the selection criteria. Once appointed, all new Trustees are issued with a Handbook and an induction programme specific to their needs.

The following actions were undertaken at General Meetings

- 26 June 2020: it was formally recorded that Eve Bignell had resigned from the Board
- 25 September 2020: it was formally recorded that Susan Munroe would be appointed as Trustee and Chair Designate
- 18 December 2020, Susan Munroe was formally appointed as Chairman
- 26 March 2021: it was formally recorded that, Steve Barnes, Nigel Gaymer and Rosie Guy would be re-appointed as Trustees.

The Trustees who served during the year are shown below and their membership of a sub-committee is indicated using the following key:

- ◆ Audit Committee
- ⌘ Clinical Governance Committee
- ♣ Corporate Governance and Nominations Committee
- ♪ Health and Safety Committee
- Investment Committee
- Remuneration Committee

Steve Barnes ◆
Tony Boardman
Dr Peter Dewhurst ⌘ ♣ ● ◆
Irene Dibben (Chair) until 31 December 2020 ♣ ● ■
Charles Everett until 31 December 2020 ● ♣
Michael Foster until 31 December 2020 ♣
Nigel Gaymer ◆ ♣ ♪ ■
Kerry Gentlemen ⌘
Dr Rosie Guy ●
Nigel Kirby-Green ◆ ■
Geoff Longmire ■
Susan Munroe from 1 January 2021 ♣ ■ ●
Linda Stevens ◆

Between January to March 2021, the Chairman undertook a governance review and as a result the frequency of Board meetings and the Board committee structure was changed with effect from 1 April 2021.

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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 Remuneration 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

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, a one-year business plan in response to COVID-19, incorporating some aspects of the new strategy and based upon the strategic priorities from the previous year was developed.

The impact of COVID-19 meant that unprecedented steps needed to be taken to prevent the spread of the virus and to keep patients, the team and the local community safe. For St Michael's Hospice this meant that:

- we continued to run our in-patient unit, but with visitor restrictions in place. Every effort was made to enable families and friends to be in contact with their loved one, particularly at the end of life
- we kept in regular contact with patients, carers and clients who were in receipt of care and support from our services and we continued to take referrals for bereavement support. Face-to-face Wellbeing, outpatient and bereavement services were suspended and replaced with telephone and virtual support
- our community team worked closely with NHS partners and continued to assess each individual's needs. Telephone support and virtual consultations rather than visits took place wherever possible
- Hospice shops and the Donation Centre were closed until further notice and fundraising events postponed or cancelled
- the Board of Trustees held virtual Board meetings with the Chief Executive on a weekly or fortnightly basis from April to September 2020.

The Hospice was part of the NHS response to the pandemic and relaxed its referral criteria to admit patients with COVID-19, and others, to relieve the pressure in the acute hospital. Occupational Therapists from the Hospice also worked in the hospital and in the community supporting non-hospice patients.

In late December 2020, the in-patient unit had to close to admissions for a period of time following a COVID-19 outbreak. This coincided with a significant rise in cases in Hastings at that time but was something that every hospice encountered at least once during the pandemic.

In 2020/21 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 enables patients to be cared for in the place of their choosing. A further 365 people were supported, on an individual basis, by the Bereavement Service and an additional 47 received a support call after telephoning the Bereavement Call Back Service implemented in response to the pandemic.

Report of the Trustees and strategic report (continued)
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Achievements in relation to the business plan

The following section highlights some of the key achievements in 2020/21 according to the strategic aims identified in section 1.6, page 5.

3.1. Increase clinical reach

The number of patients supported by the Hospice remained consistent with the previous year, 1736 (2020/21) and 1741 (19/20). However, the way patients were supported changed dramatically following the suspension of the face to face Wellbeing Programme and a significantly reduced community nursing visiting service as a result of COVID-19. Plans to integrate clinical services were expedited and an integrated community team approach to supporting patients at home and outpatients was introduced. The result of this was that the Wellbeing team supported 550 individuals compared with 208 the previous year.

Wellbeing Services

The Wellbeing team responded dynamically to the pandemic with the creation of a new blended model to support patients' and carers' holistic needs. The new Wellbeing @ Home virtual programme offers a holistic programme of therapeutic and social group support via Microsoft Teams. This has included:

- Embracing Anxiety
- Make your Mark – creative arts
- Nature Appreciation
- Walk to Wellbeing
- Social Coffee Morning.

New Wellbeing IT Support Volunteer roles have been instrumental in supporting patients and families to access these online services. Alongside virtual groups, individualised telephone and video consultations have been utilised to undertake holistic assessments and provide personalised programmes of support tailored to individuals' goals. Throughout the pandemic patients have experienced high levels of social isolation and anxiety and the Hospice has received many examples of positive feedback that the Wellbeing Programme has made a real difference for people living with advanced, serious, life-limiting illness during this challenging time.

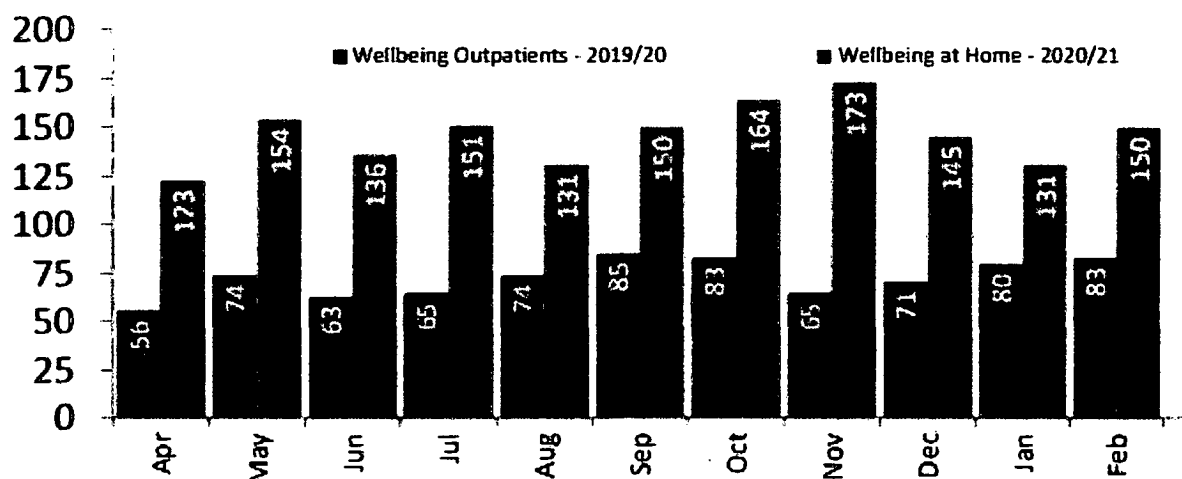
[REDACTED] I belonged to the virtual group at home when Alicen did this I found this a very inspiring group to belong to it was on for so many weeks f I can get my mobile phone working again on my app to join in I would like to do this one again It's really good it's has really given me an extra interest in flowers and nature this year and when you look around you at flowers and trees etc it makes one so appreciative on what's growing around us Thank you so much that I was on the group of growing in confidence this year please keep me posted of any of these groups Really really interesting and you can learn to focus more and have a different approach on life's nature

A particular success for Wellbeing Services during 2020-21 was the soft launch of Hospice services at the Hub on Rye Hill. Provision of holistic outpatient support from this new site enables the Hospice to offer access to patients, families and bereaved clients in the eastern areas of our catchment area which are more geographically distant from the Hospice in St Leonards on Sea.

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The changes in our model of Wellbeing Service provision in 2020-21 have enabled the service to be more responsive and this is reflected in service data where the number of people supported has more than doubled in comparison to 2019-20:

Wellbeing at Home (count once) - monthly



3.1.1. Community Nursing Services

Throughout 2020/21 Community Nursing provision has focused on a responsive 24/7 Telephone Advice and Support Line; personalised telephone and video consultation support alongside outpatient and community visits from the Clinical Nurse Specialists. The pandemic followed by significant shortages in registered nurses within the Hospice at Home Team meant that the provision of face to face nursing visits was suspended for an interim period, whilst a targeted recruitment campaign took place. Despite these challenges, the Community Nursing Team has adopted a much more integrated approach to support patients and families in the community through positive interdisciplinary working with Wellbeing colleagues and external partners. A review of the service by the Director of Wellbeing Services has also provided a focus on driving up quality to evidence consistent safe, caring, responsive, effective and well-led service provision. Community nursing support has been greatly appreciated by patients who have been enabled to remain at home and to die well at home.

The miraculous support that the hospice offered our dad during his difficult journey was second to none. With 'Kathy Gibbs' going the extra mile with home palliative care. The physiotherapist 'Patrick' and Occupational Therapy teams. The Hospice emergency at home call team that were there 24/7 to support me in my times of need for advice and referrals. From the bottom of all of our families hearts.

Thank you! ❤️

3.1.2. Inpatient services

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To ensure responsiveness the single point of access (SPA) meeting, launched in 2019/20, was extended to cover a 7-day period enabling patients to be allocated to the most appropriate service, including those external to the Hospice, in a timely way.

The Hospice provided in patient services throughout, and was part of the NHS response to, the pandemic. Significant investment was made to ensure adequate personal protective equipment (PPE) was available and additional support, including a Wobble Room, was provided to ensure that the team's own wellbeing was prioritised.

As with all healthcare facilities, at the peak of the pandemic the Hospice placed restrictions on patient visitors to protect vulnerable patients, employees and the wider community. Whilst compassionate visiting was allowed for those nearing the end of life, this was a particularly challenging period. To mitigate some of the impact of this, the Hospice introduced mobile devices, such as tablets, for patients to use to enable them to stay connected to their families and friends. With the support of the Darvell Bruderhof, based in Robertsbridge, wooden hearts and flowers were made to enable patients to feel connected to their loved ones whilst visiting was restricted. The patient's name was engraved onto the wooden heart or flower and a matching shape was sent to a friend or relative with a card to reassure them that, whilst at the Hospice, their loved one was well-cared for, important and valued. These wooden shapes were a symbolic reminder that a connection is not broken by physical separation.

As part of the Hospice's ambition to increase medical input in all settings, a second Consultant in Palliative Medicine was appointed in December 2020 and a further Consultant will take up their position in June 2021. This additional resource has meant that the Hospice has been able to increase its specialist palliative care medical input into the Conquest Hospital and to patients in the community. The Consultant medical on call rota which was extended to hospices in Kent to support during the pandemic continued throughout 2020/21.

3.2 Improve and demonstrate our effectiveness

The Hospice's electronic patient record system (Crosscare) continued to be developed to ensure it is responsive and able to support integrated clinical working, particularly for community patients. The need to report daily activity and COVID patients to NHS England has pushed the system to its limit. New systems to manage the logistics and data capture for virtual consultations have also been introduced and will continue to be fine tuned.

In September 2020, virtual Trustee visits were introduced on a bi-monthly basis. Two Trustees attend each visit and 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 Registered Manager and Head of Quality and Data met, virtually, with the Hospice's CQC Relationship Manager, as part of the CQC's Engagement processes in February 2021. The "virtual" meeting focused on all of the KLOE and how the Hospice had responded to the pandemic whilst meeting patient and family need. The feedback was positive:

"I left the call feeling you had prepared thoroughly, and I feel reassured you are working within regulation at this challenging time. Thank you for sharing all the good practice you are involved in, I was particularly

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impressed by the system working you are driving with your health and social care partners to ensure your patients are receiving the very best care."

The Hospice's incident and risk management platform (Vantage-Sentinel) has vastly improved data capture for accidents, incidents and near misses and this allowed for the development, and monitoring, of health and safety key performance indicators by the Health and Safety Committees. Patient safety data has also been extracted and submitted to Hospice UK to provide benchmarking information of patient falls, medication errors and pressure ulcers. Two new modules have been developed in year: a COVID inspection template was introduced in January 2021 to allow for real-time reporting and monitoring of adherence to COVID safety measures in place, and development work was also completed to improve the tracking of, and investigations into, complaints and concerns. All of these modules give the Hospice an opportunity to evidence learning, escalate risks and provide assurances to the Board of Trustees and other key stakeholders.

In October 2020, architects were appointed to work with the Hospice to improve its physical clinical environment and training facilities. Initial meetings with the Extended Leadership Team have taken place but progress has been slower than hoped due to the pandemic.

3.3 Develop and value our people

The past year has been particularly challenging in terms of developing our people as many training and learning opportunities were suspended. Despite this some of the face to face training was adapted to virtual learning and four of the core management training modules were delivered in this way. Clinical supervision also became more virtual but with access to in-person supervision either in groups or on an individual basis.

The Health Care Assistant (HCA) Competency Framework was introduced and three HCA's were assessed and moved up a level. The first two levels of the Registered Nurse Skills Framework have been established and will be rolled out in 2021/22.

Following the work done to define the organisation's culture in 2019/20, consultation took place during 2020/21 to review and refresh the Hospice's values. As a result of this the Hospice values are now: kind, respectful, innovative and inclusive. In 2021/22, embedding the behaviours to underpin these values will be a priority.

In October 2020, the Hospice commissioned an independent audit to objectively explore current performance and practice on equality, diversity and inclusion (EDI). The process comprised of consultation with employees, volunteers and patients/clients; review of Hospice documents and data; engagement with Hastings and Rother Voluntary Action and with local minority community groups; and with reference to wider relevant research. The audit resulted in several recommendations which have been translated into an action plan which will be implemented in 2020/21. It has the following strategic objectives:

- adopt and embed a strategic approach to equality, diversity and inclusion
- ensure accessibility to, and satisfaction with Hospice services for all local communities, and for individual patients and clients
- cultivate an inclusive organisational culture and increase awareness and understanding of EDI
- build and sustain a diverse workforce (employees and volunteers), which reflects the community served.

Volunteering focused on attracting a more diverse group of volunteers who could support patient facing roles. 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. New virtual

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induction training was developed to support volunteer recruitment and this has been supported by volunteer e-learning buddies to ensure all volunteers can access training.

Corporate Membership of Benenden Health Care came into force in March 2021. This was an addition to the suite of Employee Wellbeing and Support measures introduced during COVID. Other measures included:

- a weekly wellbeing survey, led by the Chief Executive to highlight any immediate issues so that they could be addressed in a timely way
- Working at Home guidance to support employees who were working predominantly at home for the first time or for the majority of their working hours
- a Wellbeing Guide and check list
- clinical support Huddles
- regular "Let's get together" virtual sessions for all employees.

Director drop ins were also introduced during the peak of the pandemic.

The new pay scales were introduced in October 2020 to ensure Hospice salaries were competitive with the NHS and other hospices locally.

Led by Dr Declan Cawley, Interdisciplinary Learning Forums were introduced that are open to all employees and are topic focused and delivered bi-monthly. These are very well attended and receive good feedback.

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.

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 had a devastating effect on the Hospice's ability to raise funds with most fundraising events cancelled and shops closed for the majority of the year.

Gross income for the year was £6.7 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 £1m. Income from the government's job retention scheme (£62k) and additional support from the Clinical Commissioning Group for PPE etc (£77k) resulted in a year end surplus of £155k before investment gains.

a) Lottery

Despite the volunteer collectors and canvassers being unable to work, the Hospice Lottery generated £994k; just 9.7% below the prior year. This was achieved by the Lottery team transferring to a telephone only service and encouraging players who had previously paid their collectors in person to pay over the phone or via direct debit. This was an incredible achievement enabling the Lottery to gift a covenant of £703k to the Hospice; a reduction of only 2.2% compared with the previous year.

For every £1 played in the lottery, 70p goes to St Michael's Hospice (the legal requirement is to pay at least 20p), 16p goes into the prize fund and 14p covers the administration, promotion, and legal regulation expenditure.

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b) Retail and E-Commerce

In 2020/21 the Hospice shops were closed and employees furloughed for the majority of the year due to the pandemic. This resulted in a loss of £75k.

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.

As reported last year, the Hospice has particularly close links with the other Sussex hospices and all members of the Leadership Team meet with their counterparts in neighbouring hospices. Within this and for some time now, the Chief Executives of all seven Sussex-based hospices, including St Michael's, have been pursuing collaboration since 2018. Although the Covid-19 pandemic brought a pause in the collaborative workstreams that had been agreed at the end of 2019, the hospices continued to support one another through mutual aid and knowledge sharing. The workstream programme has now recommenced and is seeing growing momentum:

- A Sussex-wide Project ECHO tele-mentoring hub has been set up to deliver education in care homes
- Some of the hospices are sharing an online platform for mandatory training
- A shared leadership and management development programme is being developed
- There are joint posts between individual hospices
- Work is going on to create a common data set for stakeholder reporting
- The hospices are benchmarking their costs and activity for core services
- A joint Programme Manager has been appointed to coordinate activity
- There is collective representation at key planning forums in the Sussex healthcare system.

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 £6.7 million (2020 - £7.64 million).

The charity received a grant from Hastings and Rother Clinical Commissioning Group of £2.32 million (2020 - £2.25 million).

Total expenditure was £6.54 million (2020 - £6.69 million) a reduction of 2.3%.

The year ended with a surplus before investment movements of £155k (2020 - £948k).

4.1. Reserves Policy

A key risk that the charity faces is a fall in its income as a result of a drop in donated funds. In order 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, subject to agreeing a five-year strategic plan.

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 2021, the Consolidated Balance Sheet total was £15.8 million (2020 -£15.2 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.

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 2021, the market value of the portfolio was £4 million, with an estimated yield of 2%. Additional cash of £1.2 million was invested during the year.

Members of the Investment 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 Health and Safety, Audit and Clinical Governance Committees, on a 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 2020/21 as identified in risk registers were:

COVID-19: A Risk Review was undertaken and shared with the Board and four COVID-19 risk assessments: people we support, income generation, workforce and environment were reviewed on at least a monthly basis and reported to the relevant governance committee. Whilst restrictions have been relaxed the Hospice is taking a cautious approach to opening up its services to group activities. The workforce and the services the Hospice is able to offer continues to be impacted by people having to self isolate after having been in contact with someone with COVID-19.

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. A new pay structure was implemented, an employee assistance programme via Benenden Healthcare was introduced, a digital recruitment campaign was launched alongside more locally targeted campaigns involving posters on the seafront and on buses, and competency/skills frameworks introduced to enable career progression were all put in place throughout the year to address this. The nursing workforce is now stabilising but the Hospice is working closely with NHS colleagues to tackle nurse recruitment at system level.

Reputation damage: The Hospice is known as a quality health care provider and its reputation is of vital importance. Emphasis was placed on engaging key stakeholders and various media channels were used to promote the work of the Hospice and retain the focus on its core purpose - providing good end of life care. 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. The introduction of Vantage-Sentinel has provided greater oversight of the potential risks the charity faces enabling proactive steps to be taken to mitigate these. Strategic, external IT support has been commissioned to ensure resilience in IT systems going forward.

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 were suspended or severely restricted during 2020/21 due to the pandemic.

Report of the Trustees and strategic report (continued)
For the year ended 31 March 2021

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 2021, there were no complaints in relation to fundraising.

5. PLANS FOR THE FUTURE

Despite an aspiration to launch the Hospice's new strategy in April 2021, the impact of COVID-19 and challenges it continues to present led to a decision to postpone this until quarter three of the new financial year. Instead, the Hospice will continue with its interim strategic plan as follows:

a) INCREASE OUR REACH to ensure individuals access the right services and support at the right time

The Hospice team had transformed the way they supported patients and families during the pandemic (integrated clinical services, virtual rather than face to face support etc.). These need to be embedded across clinical services to enable individuals to fully understand and adopt them and to demonstrate consistent standards of high-quality practice. This work also needed to recognise the weariness of the team following a year of unprecedented challenges. Some of this will include:

- reviewing the integrated community service to support patients and families in the context of COVID-19, through development and implementation of a hybrid of support models across seven days a week, ensuring effective internal ownership and engagement
- optimising collaborative working with clinical partners through virtual technology to enable participation in shared clinical meetings with GP, district nursing and East Sussex Healthcare Trust
- maintaining support to care home residents and employees through Project ECHO and other education interventions, bereavement support and telephone befriending
- establishing sustainable community and clinical led support (including Hospice Neighbours) in more geographically remote areas.

b) IMPROVE AND DEMONSTRATE OUR EFFECTIVENESS by having measurable, evidence-based objectives informed by user feedback

In order to achieve greater reach without incurring significant, additional costs, the Hospice must ensure that it is working effectively and efficiently. Furthermore, it must ensure that it is providing safe, caring, effective, responsive and well-led care to meet its regulatory obligations but more importantly the needs of patients and families. This focus on quality assurance, continuous improvement and cost-effectiveness should extend to all areas of the business. To improve and demonstrate our effectiveness, the Hospice will continue to:

- embed the Outcome, Assessment and Complexity Collaboration measures (OACC) in all settings
- implement an integrated user engagement strategy to ensure key stakeholders are engaged and consulted on key issues
- utilise the capability of the Vantage-Sentinel system to enhance complaints and policy management and reporting

Report of the Trustees and strategic report (continued)
For the year ended 31 March 2021

- proactively engage with opportunities for collaboration across Sussex Hospices and to positively influence the Integrated Care System at place and system-level
- develop and implement plans for digital transformation across all areas of the organisation.

c) DEVELOP AND VALUE OUR PEOPLE to play an active role in achieving our shared purpose and culture

People are the Hospice's most valuable asset and so attracting, developing and retaining good people are key to its success both in terms of quality care and long-term sustainability. The team's resilience was severely tested in 2020/21 and so people strategies need to ensure there continues to be a focus on wellbeing. Priorities for 2021/22 include:

- developing an organisational development strategy to include: behaviours /values, professional development, succession planning, recruitment, training, workforce planning/change, performance management
- embedding one unified, flexible clinical workforce including via: single roster system; rotation between clinical settings; interdisciplinary education events and journal clubs.
- ensuring the appropriate governance structure is in place to enable the actions from the EDI audit, relating to employees and volunteers, to be planned and implemented
- investing in and supporting the team's development and wellbeing, including by reviewing and enhancing the clinical supervision framework
- continuing to research, develop and implement strategies to address clinical workforce gaps through innovative recruitment initiatives, exploring opportunities for collaboration, robust and supportive induction programmes and internal career development
- continuing to increase the number of patient-facing volunteer roles.

d) ENSURE LONG-TERM SUSTAINABILITY within a financial, environmental, social, technological and governance framework

The Hospice must ensure that it carefully manages the funds that are given, granted and earned by it to maintain business continuity, but it must also ensure that it remains vigilant in securing new sources of income to enable it to continue to serve the local population. During 2021/22 the Hospice will:

- collaborate with St Wilfrid's Hospice (Eastbourne) to share a Finance Director
- begin team consultation on a capital project to improve the clinical/patient/team environment and education and conference facilities
- research and develop a new income generation strategy using data to inform plans for generating income during COVID recovery
- continue to develop and implement initiatives that recruit new and retain players and increases income from the Lottery Company
- develop and implement a retail strategy to align with the compassionate community agenda whilst increasing profitability.

Report of the Trustees and strategic report (continued)
For the year ended 31 March 2021

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.

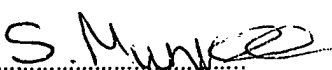
The Trustees are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

02/12/2021

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 2021 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 2021 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.

**Independent auditors' report to the members (continued)
For the year ended 31 March 2021**

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 18, 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.

Independent auditors' report to the members (continued)
For the year ended 31 March 2021

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

Independent auditors' report to the members (continued)
For the year ended 31 March 2021

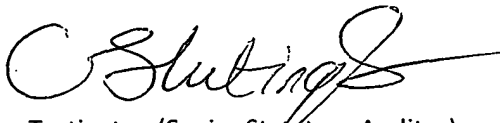
were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work 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. 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 Turlington (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

16 December 2021

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 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Income and endowments from					
Donations and legacies	3	2,522,572	86,102	2,608,674	2,825,498
Charitable activities					
Hospice services	6	2,474,389	-	2,474,389	2,453,837
Subsidiaries' trading activities	4	1,378,770	-	1,378,770	1,762,282
Other trading activities	4	117,896	-	117,896	511,850
Investment income	5	117,829	-	117,829	89,765
Total		6,611,456	86,102	6,697,558	7,643,232
Expenditure on					
Raising donations	7	431,049	-	431,049	475,008
Trading companies' costs	7	720,253	-	720,253	899,874
Charitable activities					
Hospice services	8	5,377,619	13,472	5,391,091	5,320,447
Total		6,528,921	13,472	6,542,393	6,695,329
Net gains/(losses) on investments	14	432,005	-	432,005	(217,962)
Net income		514,540	72,630	587,170	729,941
Transfers between funds	23	(7,926)	7,926	-	-
Net movement in funds		506,614	80,556	587,170	729,941
Reconciliation of funds					
Total funds brought forward		15,150,610	25,885	15,176,495	14,446,554
Total funds carried forward	24	15,657,224	106,441	15,763,665	15,176,495

Continuing operations

All incoming resources and resources expended arise from continuing activities.

The notes on pages 27 to 51 form part of these financial statements.

St Michael's Hospice Hastings and Rother

**Consolidated and charity balance sheets
As at 31 March 2021**

		Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Fixed assets					
Tangible assets	16	4,920,703	4,147,866	5,128,662	4,322,377
Investments	17	4,059,944	4,060,045	2,384,536	2,384,637
		<u>8,980,647</u>	<u>8,207,911</u>	<u>7,513,198</u>	<u>6,707,014</u>
Current assets					
Stocks	18	55,329	52,271	61,413	56,373
Debtors	19	319,595	1,443,102	515,579	1,413,124
Cash at bank and in hand		6,803,209	6,396,688	7,457,907	7,232,550
		<u>7,178,133</u>	<u>7,892,061</u>	<u>8,034,899</u>	<u>8,702,047</u>
Creditors: amounts falling due within one year	20	(395,115)	(261,919)	(371,602)	(233,323)
Net current assets		<u>6,783,018</u>	<u>7,630,142</u>	<u>7,663,297</u>	<u>8,468,724</u>
Total assets less current Liabilities		<u>15,763,665</u>	<u>15,838,053</u>	<u>15,176,495</u>	<u>15,175,738</u>
Net assets		<u>15,763,665</u>	<u>15,838,053</u>	<u>15,176,495</u>	<u>15,175,738</u>
Funds	23				
Unrestricted funds		15,657,224	15,731,612	15,150,610	15,149,853
Restricted funds		106,441	106,441	25,885	25,885
Total funds		<u>15,763,665</u>	<u>15,838,053</u>	<u>15,176,495</u>	<u>15,175,738</u>

The total income of the Hospice as an individual entity for the year was £6,390,938 (2020 - £7,123,858) and its net income was £662,313 (2020 - £755,811). 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 24/09/2021 and were signed on its behalf by



Mrs S C Munroe
Trustee

The notes on pages 27 to 51 form part of these financial statements.
Company number 01776496

Consolidated cash flow statement
For the year ended 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	A	547,377	751,125
Net cash provided by operating Activities		547,377	751,125
Cash flows from investing activities			
Purchase of tangible fixed assets		(76,522)	(83,627)
Purchase of fixed asset investments		(3,140,741)	(1,514,215)
Proceeds from sale of fixed assets		21	258
Proceeds from sale of investments		1,840,520	78,221
Investment income		117,829	89,765
Net cash used in investing activities		(1,258,893)	(1,429,598)
Change in cash and cash equivalents in the reporting period	B	(711,516)	(678,473)
Cash and cash equivalents at the beginning of the reporting period		7,567,360	8,245,833
Cash and cash equivalents at the end of the reporting period	B	6,855,844	7,567,360

The notes on pages 27 to 51 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 2021**

A. Reconciliation of net income to net cash flow

	2021	2020
	£	£
Net income for the reporting period (as per the statement of financial activities)	587,170	729,941
Adjustments for:		
Depreciation charges	284,071	336,530
(Gains)/losses on investments	(432,005)	217,962
Loss/(profit) on disposal of fixed assets	389	(140)
Investment income	(117,829)	(89,765)
Decrease/(increase) in stocks	6,084	(18,889)
(Decrease)/(increase) in debtors	195,984	(288,808)
Increase/(decrease) in creditors	23,513	(135,706)
Net cash inflow from operating activities	547,377	751,125

B. Analysis of cash and cash equivalents

	At 31 March 2020	Movement	At 31 March 2021
	£	£	£
Cash at bank and in hand	7,457,907	(654,698)	6,803,209
Investment cash	109,453	(56,818)	52,635
	7,567,360	(711,516)	6,855,844

Notes to the financial statements
For the year ended 31 March 2021

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.

Text amended ✓

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.

Notes to the financial statements (continued)

For the year ended 31 March 2021

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 2021

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.

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.

Notes to the financial statements (continued)
For the year ended 31 March 2021

3. Donations and legacies

	2021 £	2020 £
Donations and gifts	439,308	293,459
In memoriam	230,343	240,147
Regular giving and Gift Aid	96,131	71,451
Legacies	645,865	2,220,441
Grants received	1,197,027	-
	<u>2,608,674</u>	<u>2,825,498</u>

	2021 £	2020 £
Grants from government sources received, included in the above, are as follows:		
CJRS Furlough income	61,841	-
Sector support grant (via Hospice UK)	1,056,388	-
Sector support grant (via CCG)	76,798	-
	<u>1,195,027</u>	<u>-</u>

4. Trading activities

Trading subsidiaries	2021 £	2020 £
Lottery income	994,999	1,101,300
Retail income	383,771	660,982
	<u>1,378,770</u>	<u>1,762,282</u>

Other trading activities	2021 £	2020 £
Fundraising events	105,703	465,402
Arthur Easton hall hire	90	6,838
Coffee shop and catering	5	20,312
Sundry income	12,098	19,298
	<u>117,896</u>	<u>511,850</u>

Notes to the financial statements (continued)
For the year ended 31 March 2021

5. Investment income

	2021 £	2020 £
Income from UK listed investments	80,164	39,085
Deposit account interest	31,965	44,980
Rents	5,700	5,700
	<u>117,829</u>	<u>89,765</u>

6. Income from charitable activities

	2021 £	2020 £
Grants	2,316,290	2,252,214
Palliative care fees	157,823	186,423
Patient income	276	15,200
Rents	-	-
	<u>2,474,389</u>	<u>2,453,837</u>

	2021 £	2020 £
Grants from government sources received, included in the above, are as follows:		
Hastings and Rother CCG	<u>2,316,290</u>	<u>2,252,214</u>

Notes to the financial statements (continued)
For the year ended 31 March 2021

7. Raising funds

	Raising donations £	Trading companies' costs £	Total 2021 £
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>

2020 comparative

	Raising donations	Trading companies' costs £	Total 2020 £
<i>Staff costs</i>	349,088	362,548	711,636
<i>Cost of sales</i>	-	166,111	166,111
<i>Lottery Prizes</i>	-	160,433	160,433
<i>Premises</i>	12,600	172,318	184,918
<i>Depreciation</i>	18,834	33,630	52,464
<i>Other direct costs</i>	94,486	4,834	99,320
	<u>475,008</u>	<u>899,874</u>	<u>1,374,882</u>

Notes to the financial statements (continued)
For the year ended 31 March 2021

8. Charitable activities costs

	Direct costs (Note 9)	Support costs (Note 10)	Totals
	£	£	£
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>
2020 comparative			
Hospice services	4,476,256	779,792	5,256,048
Other	-	64,399	64,399
	<u>4,476,256</u>	<u>844,191</u>	<u>5,320,447</u>

9. Direct costs of charitable activities

	2021 £	2020 £
Staff costs	3,535,687	3,316,864
Clinical costs	406,248	458,006
Training costs	30,130	50,549
Premises	142,182	176,508
Depreciation	223,268	263,849
Other direct costs	186,674	210,480
	<u>4,524,189</u>	<u>4,476,256</u>

Notes to the financial statements (continued)
For the year ended 31 March 2021

10. Support costs

Support costs are as follows:

	2021 £	2020 £
Staff costs	747,392	730,579
Rates and water	451	281
Insurance	1,868	1,719
Light and heat	2,416	2,319
Telephone	1,689	1,499
Postage, stationery and IT	5,653	5,743
Sundries	8,480	8,714
Property rental	6,776	9,031
Repairs and maintenance	3,732	6,415
Freehold property depreciation	11,416	13,492
	<u>789,873</u>	<u>779,792</u>

Governance costs

	2021 £	2020 £
Bank charges	6,976	10,779
Legal and professional fees	45,314	33,650
Auditors' remuneration	10,750	8,800
Auditors' remuneration in respect of accountancy and other services	-	-
	<u>13,989</u>	<u>11,170</u>
	<u>77,029</u>	<u>64,399</u>

11. Net income/expenditure

	2021 £	2020 £
Auditors' remuneration for Charity audit	10,750	8,800
Auditors' remuneration in respect of accountancy and other services, including the audit and accountancy fees of subsidiaries	13,989	11,170
Depreciation	284,071	336,530
Loss/(surplus) on disposal of fixed assets	389	(140)

Notes to the financial statements (continued)
For the year ended 31 March 2021

12. Trustees' remuneration and benefits

There was no Trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

No expenses were reimbursed to any Trustee in the year to 31 March 2021. The Charity contributed £90 to a leaving gift for the retiring Chair. Expenses of £60 were reimbursed to one Trustee in the year ended 31 March 2020 to attend a trustee training day

13. Staff costs

	2021 £	2020 £
Wages and salaries	4,309,770	4,128,611
Social security costs	361,232	341,339
Other pension costs	310,928	295,182
	<u>4,981,930</u>	<u>4,765,132</u>

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

	2021 Number	2020 Number
Nursing and medical	103	102
Catering and housekeeping	15	15
Maintenance	7	7
Training	2	3
Fundraising	11	11
Administration	24	24
Bereavement	8	7
Lottery	5	5
Retail	18	18
	<u>193</u>	<u>192</u>

Notes to the financial statements (continued)
For the year ended 31 March 2021

13. Staff costs (continued)

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

	2021 Number	2020 Number
£60,000 to £69,999	2	1
£70,000 to £79,999	-	-
£80,000 to £89,999	1	1
£90,000 to £99,999	1	1
£100,000 to £109,999	1	-

The key management personnel comprise members of the Leadership Team. The total employee benefits of the key management personnel of the charity were £540,462 (2020 - £554,955).

14. Gains/(losses) on investments

	2021 £	2020 £
Realised gains	31,304	15,202
Unrealised gains/(losses)	400,701	(233,164)
	<u>432,005</u>	<u>(217,962)</u>

Notes to the financial statements (continued)
For the year ended 31 March 2021

15. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Income and endowments from			
Donations and legacies	2,765,749	59,749	2,825,498
Charitable activities			
Hospice services	2,453,837	-	2,453,837
Subsidiaries' trading activities	1,762,282	-	1,762,282
Other trading activities	511,850	-	511,850
Investment income	89,765	-	89,765
Other income	-	-	-
Total	7,583,483	59,749	7,643,232
Expenditure on			
Raising donations	475,008	-	475,008
Trading companies' costs	899,874	-	899,874
Charitable activities			
Hospice services	5,247,857	72,590	5,320,447
Other expenditure	-	-	-
Total	6,622,739	72,590	6,695,329
Net (losses)/gains on investments	(217,962)	-	(217,962)
Net income	742,782	(12,841)	729,941
Transfers between funds	2,576	(2,576)	-
Net movement in funds	745,358	(15,417)	729,941
Reconciliation of funds	-	-	-
Total funds brought forward	14,405,252	41,302	14,446,554
Total funds carried forward	15,150,610	25,885	15,176,495

Notes to the financial statements (continued)
For the year ended 31 March 2021

16. Tangible fixed assets

Group	Freehold property £	Assets under construction £	Fixtures fittings and equipment £	Motor vehicles £	Totals £
Cost					
At 1 April 2020	6,378,309	24,150	1,115,840	153,876	7,672,175
Additions	-	-	63,522	13,000	76,522
Transfers	-	(24,150)	24,150	-	-
Disposals	-	-	(5,358)	(5,370)	(10,728)
At 31 March 2021	6,378,309	-	1,198,154	161,506	7,737,969
Depreciation					
At 1 April 2020	1,447,249	-	974,959	121,304	2,543,512
Charge for year	178,828	-	86,703	18,540	284,071
Eliminated on disposal	-	-	(4,947)	(5,370)	(10,317)
At 31 March 2021	1,626,077	-	1,056,715	134,474	2,817,266
Net book value					
At 31 March 2021	4,752,232	-	141,439	27,032	4,290,703
At 31 March 2020	4,931,059	24,150	140,881	32,572	5,128,662

Included in freehold property is land of £152,761 (2020 - £152,761) which is not depreciated.

Notes to the financial statements (continued)
For the year ended 31 March 2021

16. Tangible fixed assets (continued)

Charity	Freehold property £	Assets under construction £	Fixtures fittings and equipment £	Motor vehicles £	Totals £
Cost					
At 1 April 2020	5,412,821	24,150	1,090,953	108,814	6,636,738
Additions	-	-	63,371	13,000	76,371
Transfers	-	(24,150)	24,150	-	-
Disposals	-	-	(5,207)	-	(5,207)
At 31 March 2021	5,412,821	-	1,173,267	121,814	6,707,902
Depreciation					
At 1 April 2020	1,284,434	-	953,685	76,242	2,314,361
Charge for year	147,084	-	84,998	18,540	250,622
Eliminated on disposal	-	-	(4,947)	-	(4,947)
At 31 March 2021	1,431,518	-	1,033,736	94,782	2,560,036
Net book value					
At 31 March 2021	3,981,303	-	139,531	27,032	4,147,866
At 31 March 2020	4,128,387	24,150	137,268	32,572	4,322,377

Notes to the financial statements (continued)
For the year ended 31 March 2021

17. Fixed asset investments

Group		Listed investments £	Cash held for investment £	Totals £
Market value				
At 1 April 2020		2,275,083	109,453	2,384,536
Additions		3,140,741	-	3,140,741
Disposals		(1,809,216)	-	(1,809,216)
Revaluations		400,701	-	400,701
Cash movement		-	(56,818)	(56,818)
At 31 March 2021		4,007,309	52,635	4,059,944
Net book value				
At 31 March 2021		4,007,309	52,635	4,059,944
At 31 March 2020		2,275,083	109,453	2,384,536
Charity	Shares in group undertakings £	Listed investments £	Cash held for investments £	Totals £
Market value				
At 1 April 2020	101	2,275,083	109,453	2,384,637
Additions	-	3,140,741	-	3,140,741
Disposals	-	(1,809,216)	-	(1,809,216)
Revaluations	-	400,701	-	400,701
Cash movement	-	-	(56,818)	(56,818)
At 31 March 2021	101	4,007,309	52,635	4,060,045
Net book value				
At 31 March 2021	101	4,007,309	52,635	4,060,045
At 31 March 2020	101	2,275,083	109,453	2,384,637

There were no investment assets outside the UK.

Notes to the financial statements (continued)
For the year ended 31 March 2021

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	
	2021	2020	2021	2020
	£	£	£	£
Turnover	153,582	660,983	994,089	1,100,259
Cost of sales	(5,426)	(8,489)	(182,237)	(278,452)
Gross profit	148,156	652,494	811,852	821,807
Administrative expenses	(453,488)	(592,379)	(109,292)	(103,380)
Other income	230,190	-	910	1,041
Net profit/(loss)	(75,142)	60,115	703,470	719,468
Assets – fixed and current	1,039,862	891,708	155,615	158,333
Liabilities	(1,114,219)	(890,923)	(155,541)	(158,259)
	(74,357)	785	74	74
Share capital	100	100	1	1
Retained reserves	(74,457)	685	73	73
	(74,357)	785	74	74

Notes to the financial statements (continued)
For the year ended 31 March 2021

18. Stocks

Group	2021 £	2020 £
Stocks	55,329	61,413
Charity	2021 £	2020 £
Stocks	52,271	56,373

19. Debtors

Group: Amounts falling due within one year

	2021 £	2020 £
Trade debtors	22,054	129,689
Other debtors and prepayments	117,251	96,749
VAT	33,896	42,471
Accrued income receivable	146,394	246,670
	319,595	515,579

Charity: Amounts falling due within one year

	2021 £	2020 £
Trade debtors	22,054	129,689
Amounts owed by group undertakings	283,194	57,454
Prepayments	111,309	91,729
VAT	28,291	36,191
Accrued income receivable	146,254	246,061
	591,102	561,124

Charity: Amounts falling due after one year

Amounts owed by group undertakings	852,000	852,000
	1,443,102	1,413,124

Amounts falling due after more than one year relates to a loan to St Michael's Hospice (Retail) Limited, in order to purchase a new warehouse. Interest is being charged at 2.5% per annum, with £21,300 (2020 - £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 2023.

Notes to the financial statements (continued)
For the year ended 31 March 2021

20. Creditors

Amounts falling due within one year

Group	2021 £	2020 £
Trade creditors	250,302	132,079
Lottery ticket sales paid in advance	112,724	119,473
Other creditors	2,238	2,782
Accruals and deferred income	29,851	117,268
	<u>395,115</u>	<u>371,602</u>

Charity	2021 £	2020 £
Trade creditors	230,662	119,923
Amounts owed to group undertakings	-	-
Other creditors	653	2,402
Accruals and deferred income	30,604	110,998
	<u>261,919</u>	<u>233,323</u>

Notes to the financial statements (continued)
For the year ended 31 March 2021

21. Operating lease commitments

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

Group	2021 £	2020 £
Expiring:		
Within one year	60,510	74,778
Between one and five years	52,234	106,960
In more than five years	-	1,734
	<u>112,744</u>	<u>183,472</u>
Charity	2021 £	2020 £
Expiring:		
Within one year	20,727	27,034
Between one and five years	14,336	37,314
In more than five years	-	-
	<u>35,063</u>	<u>64,348</u>

22. Pension commitments

The charity operates two defined contribution pension schemes. Contributions are charged to the Statement of Financial Activities in the period to which they related.

For qualifying St Michael's Hospice Hastings and Rother staff, participation in the NHS Superannuation Scheme provides benefits based on final pensionable pay. However, 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.

The total contributions paid to both pension schemes for the year ended 31 March 2021 are shown in note 13. The amount outstanding at the balance sheet date is £nil (2020 – £nil).

Notes to the financial statements (continued)
For the year ended 31 March 2021

23. Movement in funds

Current year	At 1 April 2020 £	Net movement in funds £	Transfers between funds £	At 31 March 2021 £
Unrestricted funds				
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>
Restricted funds				
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>
Total	<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:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
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>
Restricted funds				
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>
Total funds	<u>6,697,558</u>	<u>(6,542,393)</u>	<u>432,005</u>	<u>587,170</u>

Notes to the financial statements (continued)
For the year ended 31 March 2021

23. Movement in funds (continued)

Comparative year

	At 1 April 2019 £	Net movement in funds £	Transfers between funds £	At 31 March 2020 £
Unrestricted funds				
General fund	3,823,569	1,079,312	(80,933)	4,821,948
Fixed assets	5,381,683	(336,530)	83,509	5,128,662
Strategic Development fund	2,000,000	-	-	2,000,000
Contingency fund	3,200,000	-	-	3,200,000
	<u>14,405,252</u>	<u>742,782</u>	<u>2,576</u>	<u>15,150,610</u>
Restricted funds				
Rolling equipment replacement	24,327	(7,293)	(4,783)	12,251
Other funds	16,975	(5,548)	2,207	13,634
	<u>41,302</u>	<u>(12,841)</u>	<u>(2,576)</u>	<u>25,885</u>
Total	<u>14,446,554</u>	<u>729,941</u>	<u>-</u>	<u>15,176,495</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	7,583,483	(6,286,209)	(217,962)	1,079,312
	-	(336,530)	-	(336,530)
	<u>7,583,483</u>	<u>(6,622,739)</u>	<u>(217,962)</u>	<u>742,782</u>
Restricted funds				
Rolling equipment replacement				
Phoenix fund	38,582	(45,875)	-	(7,293)
Other funds	21,167	(26,715)	-	(5,548)
	<u>59,749</u>	<u>(72,590)</u>	<u>-</u>	<u>(12,841)</u>
Total funds	<u>7,643,232</u>	<u>(6,695,329)</u>	<u>(217,962)</u>	<u>729,941</u>

Notes to the financial statements (continued)
For the year ended 31 March 2021

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 £4,920,703 (2020 - £5,128,662) 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 Strategic Development fund of £2,000,000 (2020 - £2,000,000).

The general fund at the year-end of £5,336,522 (2020 - £4,821,948) 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.

Notes to the financial statements (continued)
For the year ended 31 March 2021

24. Net Assets by fund – current 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)
Net assets	15,657,224	106,441	15,763,665

Charity

	Unrestricted funds £	Restricted funds £	Total funds £
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)
Net assets	15,731,612	106,441	15,838,053

Net assets by fund – comparative year

Group

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	5,128,662	-	5,128,662
Investments	2,384,536	-	2,384,536
Current assets	8,009,014	25,885	8,034,899
Current liabilities	(371,602)	-	(371,602)
Net assets	15,150,610	25,885	15,176,495

Notes to the financial statements (continued)

For the year ended 31 March 2021

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

Charity

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	4,322,377	-	4,322,377
Investments	2,384,637	-	2,384,637
Current assets	8,676,162	25,885	8,702,047
Current liabilities	(233,323)	-	(233,323)
Net assets	15,149,853	25,885	15,175,738

25. Contingent liabilities

There were no contingent liabilities as at 31 March 2021 nor at 31 March 2020.

26. Capital commitments

The charity had no building commitments as at the year-end (2020 - £nil).

27. Contingent assets

The charity has been notified of one legacy (2020 – one) which is subject to a life tenancy or other such condition. The total amount of the legacy is estimated at £100,000 (2020 - £100,000). It has not been included in the accounts.