

Annual Report and Financial Statements

31 March 2020

Charity Registration No: 1113125

Company Limited by Guarantee

Company Registration No: 05513914 (England and Wales)



St Joseph's
Hospice

Compassionate Community Care since 1905

Advocacy | Compassion | Justice | Quality | Respect

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Reports



Reference and administrative information

St Joseph's Hospice, Hackney



Mr Paddy McGuinness
CMG, OBE, MA (Chair)



Prof Jim McManus,
BD Hons, OCDS FFPH
CPsychol CSci FRSB FBPSS



Prof Francis Campbell
BA MA PhD
(honoris causa) DUniv
(Vice Chair)
(until 19 May 2020)



Dr Una Molloy
(from 21 September 2019)



Sister Rita Dawson
MBE DL RSC MSc
BSc (Hons) RGN RSCN



Dr Michael Moran
PhD MMedSci MBBChBAO
BSc (Hons) MRCS DO-HNS



Margaret Doherty
BA (Hons), DEBA, MCIPR



Sister Geraldine O'Connor
RSC
(until 25 February 2020)



Sister Jacqueline Doherty
RSC (from 25 February 2020)



Mr Peter Pledger



Mr Edward B McGuigan
BA FFA FIPA

Senior Management Team	
Chief Executive	Tony McLean SRN, RMN, RHV, Fellow of IOD
Director of Clinical Services	Jane Naismith RN QN PGCE BSc (Hons) MSc
Medical Director and Consultant in Palliative Medicine	Dr Andrew Tysoe-Calnon BSc MBBS FRCP (from 1 August 2019)
Director of Finance & Facilities	Alan Davies FCCA
Director of Communications & Enterprise	Tracey Macbeth BA (Hons)
Director of Human Resources	Janet Simkins BA (Hons) MCIPD, MCIH
Head of Mission	Carolyn Barber RGN, BSc (Hons) Oncology, MA
Company Registration Number	05513914 (England and Wales)
Charity Registration Number	1113125
Registered Address	Mare Street Hackney London E8 4SA
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Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP The Co-operative Bank plc 80 Cornhill London EC3V 3NJ Triodos Bank Deanery Road Bristol BS1 5AS

Chair’s statement

As I write we are in the midst of London’s response to the Covid-19 pandemic, which is significantly impacting St Joseph’s Hospice as much as the communities which we serve. I am immensely proud of the way in which the Hospice and its staff have responded, re-shaping working patterns with such agility, and reconfiguring the structure and operations of our wards to create an outstanding response to an unprecedented challenge. The actions and energy of everyone at the Hospice reflects the best traditions of the Hospice and mirror what we did a century ago as we supported the very same communities through the influenza pandemic. 100 years have passed but the Mission and Values endure.

Our ability to respond is in no small part due to the good order in which the Hospice finishes this year. Our five-year plan - Vision 2024 – was published a year ago and we are well into its implementation. It has given us a clear direction of travel and much has been achieved under Chief Executive Tony McLean and his Senior Management Team, supported by the staff and Trustees.

One of the strengths of Vision 2024 is the recognition that St Joseph’s, as an institution, must constantly evolve and reshape to ensure that it meets the expectations of those we care for, and that our services reflect the high standards which outstanding hospice care demands.

Increasingly, many people within East London and the City who are nearing the end of their lives, choose to spend their final days at home. This brings with it very particular demands on our services. We strive to never lose sight of ensuring that we are always there for our patients and, if the demands of care at home perhaps become overwhelming or unmanageable for patients and their families, we can always provide a true home from home.

The proportion of elderly people within the population is growing. In 2018, 1 in 5 people were aged 65 or over, this is projected to be 1 in 4 by 2050. As people live longer they also live with a wider variety of chronic, progressive and life-limiting illnesses. The demand for palliative and supportive care from the communities which we serve will undoubtedly increase and we will respond as we always have throughout 115 years of dedicated service.

We are proud to serve everyone and are determined to be open to all in need of care regardless of race, gender, religion or diagnosis. No one is excluded.

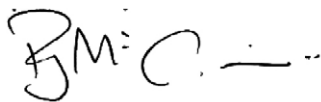
I am particularly pleased that our Chaplaincy team has reached out to so many faith and non-faith community groups in the last 12 months. Current events have forced society to reflect upon death and dying to a far greater extent than at any time I can remember, and support for the dying and their families is more important than ever as a social good.

Whilst Vision 2024 looks to the future, our strategy is anchored in a proud past. Our inspiration is the five Sisters who founded the Hospice in 1905. They nurtured and encouraged charity in everyone they encountered and with that help, laid the foundations of the Hospice. Their example is in the finest tradition of their Catholic faith. Their motto ‘Caritas Christi Urget Nos’ – The love of Christ Urges Us On’, was manifest in all that they did.

They were determined to nurse and support others and relied upon charitable donations to house and provision them. Through the grace of God and the well of generosity which those five Sisters built up, we have a Hospice which we proudly steward today.

Like them, we rely to a large extent on charity to fund our efforts. This is not straightforward in straitened times and I am most grateful to all who have supported the Hospice with donations, legacies and engagement. Our Mission is more relevant than ever, and we hope and work for your ongoing support.

For the Trustees, the delivery of excellence in patient care - under the umbrella of well-led and good governance - is central to what we do, and every day we see examples of this from the staff, volunteers and senior management team who work tirelessly with the same aim of Service. I continue to be humbled by all that they do.



Paddy McGuinness
CMG OBE
Chair of Trustees



Message from the CEO

As Chief Executive of St Joseph's Hospice for the last year and a half, my priority has been to work with our Board of Trustees to develop a strategy that guides how we move forward for the next five years and beyond. That strategy - Vision 2024 - has underpinned everything we have planned and achieved in the last financial year.

Having strengthened the Senior Management Team with several new appointments, I am proud to have a group of highly talented individuals who support me and who lead each strand of the plan.

We have taken significant steps forward in each and every area – Patients, Human Resources, Enterprise, Estates, and Funding and Fundraising. These steps will ensure that we can continue to provide exceptional levels of care to our patients, whether as in-patients, at home in their communities or in our day care services, as we all strive to secure the long-term sustainability of the Hospice.

One significant notable success has been the increased collaboration with other hospice CEOs and Hospice UK. Hospices can fall into the no-man's land between 'charity' and 'NHS' which renders them obscured from a government policy perspective, so working together is hugely important to increase our collective influence, as well as sharing on matters of policy and best practice.

I wish to acknowledge how important our support staff are to the Hospice, whether providing services to patients or behind the scenes. At the time of writing, we are still in the midst of the Covid-19 pandemic, and I do not underestimate the importance of our receptionists, household staff and maintenance teams who have made it possible for us to continue to provide a safe service to our patients. Many of them have worked at the Hospice for more than 30 years – they really are our backbone.

I also wish to mention that for the third successive year we have seen more demand for our community palliative care services through our Community Palliative Care Team (CPCT), meaning that more people are choosing end of life care at home. We will continue to monitor this trend and will review and update our operating model as needed.

We continue to seek new and innovative ways of generating income and have achieved some success through our new Enterprise and retail strategies. However it is imperative to ensure that we receive a fair income for the essential and excellent services which we provide. The full impact of Covid-19 is yet to be seen, but it does mean that practical and financial support from local Commissioners, the general public and corporate partners through their continued generous donations will be even more important in the coming months. The year ahead is now likely to be harder than we originally anticipated given the global impact of Covid-19 but I am still confident we will deliver our mission and preserve our values throughout.



Tony McLean
Chief Executive



Trustees' report (incorporating the strategic report)

Introduction

The trustees present their statutory report together with the financial statements of St Joseph's Hospice, Hackney, for the year ended 31 March 2020. The report, which constitutes a trustees' report for the purposes of charity legislation and a directors' report for the purposes of company legislation, has been prepared in accordance with Part VIII of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 33 of the attached financial statements, and comply with the charitable company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Overview

St Joseph's Hospice is a proud, modern, caring and compassionate independent Catholic charity which supports the diverse communities of East London and its surrounding areas. We deliver specialist palliative care, end of life care and respite care for people with progressive, life-threatening and life-limiting illnesses, as well as providing comprehensive support for their families and carers. All of our services are provided free of charge.

Our priority is to provide excellent care for people with complex multi-disciplinary conditions, and to provide specialist support and expertise in end of life care to generalist services in hospitals and the community. In addition, we offer expert advice and support to other professionals on specialist palliative and end of life care, deliver specialised education and training, and undertake targeted research in aspects of this care. Underpinning all of our work, as part of our founding mission, is a particular responsibility to support the poor – whether poverty takes the form of health, economic, social, emotional or spiritual poverty.

We operate the Hospice in full sight of the highest clinical and ethical standards underpinned by our 5 key values, Quality, Justice, Compassion, Advocacy and Respect. We are committed to our responsibility to promote a clear vision of palliative care and end of life care being called to speak and act in our commitment to the human dignity of the person and the sacredness of human life.

Approximately half of our annual income comes from the NHS, which means we need to raise almost £7 million a year just to meet our running costs. The remainder of our funding comes from the legacies, donations and other fundraising initiatives that we undertake. We owe a lot to the generosity and goodwill of our local communities.

St Joseph's Hospice was founded by The Religious Sisters of Charity in 1905 in Hackney and has built an outstanding reputation for providing high quality care to our communities in East London and beyond. This part of East London has been characterised by a long history of material poverty and deprivation as well as religious, ethnic and cultural diversity.

We continue to explore new sources of funding to augment the income we currently receive from the NHS and charitable donations, and look to increase income from different enterprises which are entirely in keeping with our founding ethos and Mission.

As part of all of these developments, we will ensure we manage our information in ways that protect those we care for and their families, as well as to influence those who commission our services.

Objectives and activities

Charitable objectives & principal activities

Our charity's purposes, as set out in the objects contained in the Articles of Association, are the relief of sickness and disability, in particular by:

- the provision of specialist palliative, nursing, medical and other care services
- the provision of pastoral care services for the spiritual welfare and support of patients, relatives and staff
- the provision of education and research into the care of sick or disabled people

The aims of the charity are to provide physical, emotional, social and spiritual care to physically ill people of all races and creeds.

Mission statement

Our mission at St Joseph's is:

- to treat individuals as unique
- to enable all to reach their full potential until death
- to confront the patient's pain and distress whether physical, medical, psychological, social or spiritual
- to encourage openness and honesty when communicating with the patient and family members
- to create an atmosphere where healing can occur
- to show particular concern for staff at all levels;
- to be committed to education, research and an ethical approach to care
- to be committed to the development of palliative care throughout the UK and further afield; and
- to actively participate in the national associations of the various palliative care disciplines

Vision

Our vision is that everyone with a life-limiting illness is supported to live well until the end of their life, where and when they need it.

Core values

We are committed to five core values. These are:

Respect for human dignity

We respect human dignity when we respect the sacredness of life, care for the whole

person, demonstrate unity of purpose while recognising individual differences, value each person's contribution and act in a culturally appropriate manner.

Service/quality

We provide service when we create an environment of welcome and hospitality, promote quality care and excellence, encourage and demonstrate team spirit, recognise the value of individual initiatives and ideas and show an openness to constructive criticism and feedback.

Care of the poor and vulnerable/advocacy

We care for the poor and vulnerable when we listen attentively to identify unmet needs, respond in a practical way to those in need, collaborate with others to share resources, create access to needed services and provide basic resources for daily living to those in need.

Compassion

We show compassion when we act with understanding and sensitivity, work cooperatively with others, are available to those we serve and to each other and respect and nurture the environment.

Justice

We promote justice when we act with integrity, respect the rights of others, take responsibility for our actions, preserve resources, provide quality without extravagance, demonstrate fairness in decision making, affirm, celebrate and develop the gifts and talents of each person and model justice in all aspects of business practice.

Strategic achievements and performance

The Senior Management Team, with the support of our Board of Trustees, continues to drive forward with implementation of the 5-year strategic plan which was published in March 2019. Now in Year 2, Vision 2024 sets out how we will develop and invest in the Hospice until 2024 with the flexibility to respond to the evolving external environment, including the changing needs of the population we serve.



Patients

We aim to provide a warm and friendly environment for our patients, their families, and our visitors and staff. This includes a high quality catering provision for inpatients (5 star hygiene rating), with food freshly cooked daily on site. Visitors can buy a range of affordable hot and cold food and drink from our Five Sisters Café, and all have access to our stunning award-winning gardens. Our Reception and community hub area is warm and welcoming, and incorporates our new Heritage Room so that visitors can learn more about our rich history.

We have continued to deliver high quality service to our patients, as well as building our reputation as a centre of excellence for specialist palliative care, working closely with primary care and local hospitals. Our services include in-patient, outpatient, day care, respite care, advice and support in the individual's home or care home, and bereavement support. Much of this is available 24/7. We take immense pride in the excellent feedback on the care and quality of our services. Our CCG conducted their annual review in autumn 2019. This focused on quality of our clinical services, our safeguarding procedures and organisational leadership. They rated all our services as being good. One of their suggestions was that we conduct a regular survey of professionals who use our services.

In the last 12 months, we have recorded 6,114 patients including 3,734 external referrals – an 8% increase vs. the previous year – and 461 in the inpatient units. 993 appointments were made through our day services including Day Hospice, Physiotherapy, Complementary Therapy and Social Work.

Our staff support our patients as they consider where they would like to be cared for, as their illness progresses, and this includes discussions on their preferred place of death. Following these conversations, 77% died in their preferred place compared with 74.25% in the previous year. The community palliative care team remains very busy making 17,700 contacts in total – 12% more than the year before – which included 1,719 internal and external referrals. Psychological Therapies supported 631 people, representing a 14% year-on-year increase.

In the communities we serve, more than half (50.5%) of the patients referred identify themselves as BAME, and their predominant stated religions were Christian Protestant or Catholic, and Muslim.

This year our bed occupancy was slightly down on last year at 72% compared to 78% the previous year; the average length of stay was 15.3 days.

Of those patients admitted to the Hospice, 42% were discharged, with 80% of those discharged to their usual place of residence (i.e. home or care home). 44% of patients referred to us had a non-cancer diagnosis, a year-on-year increase of 16%.

Following the refurbishment of Lourdes Ward in 2019, we plan to undertake a similar project for our other in-patient ward - St Michael's – in the 2020/21 financial year. The improved environment incorporated a number of design features to better support patients with dementia or physical disabilities. The timing of the St Michael's refurbishment is subject to recouping lost revenue resulting from the Covid-19 crisis and the relaxing of safety measures in relation to the pandemic.

Community engagement

The Hospice is set within an ethnically diverse area, and we have a fully inclusive approach to supporting and serving the local community, especially those who do not traditionally use hospice services. We work hard to meet the varying needs and expectations of all our patients, their families and carers, whatever their cultural, spiritual, ethnic background, gender or sexual orientation. We offer culturally sensitive diets, a comprehensive bilingual and advocacy service, as well as a multi-faith chaplaincy service. Being able to communicate effectively is essential, and on any given day, there can be 48 languages spoken by staff, patients, visitors and callers – 6 more than the previous year.

We have continued to work towards delivering our Care Strategy which focuses on providing care closer to home, engaging with hard to reach groups, developing our workforce, strengthening community engagement and a clearer referral and discharge criteria, with a focus on episodic care which will enable the Hospice to meet increased demand for its services.

In particular, we will continue to strive to improve equitable access to palliative and end of life care, providing education, training and support to partners, and to healthcare professionals requiring advice on managing complex symptoms.

Following the review of our Day Hospice service, we provide a 12-week programme which has led to a 3.5% increase in the number of appointments – 993 in the last 12 months. We recognise the value of offering alternative care settings for patients receiving palliative care treatment in the community and we have successfully expanded our physiotherapy, nurse outpatients, and dietetic/speech and language clinic to meet demand.

Our carers' service - now in its third year - is a community based project with trained volunteers offering emotional, practical and respite support to carers at the end of life, who are accessing St Joseph's services and are resident in Hackney, Tower Hamlets or Newham. The service provides respite and reduces social isolation for carers, and in the last 12 months gave 258 hours of emotional support – more than double the previous year, 106 carers were referred, and there were an additional 174 hours of peer support. Between the 32 trained volunteers, they can speak 16 languages.

Our award-winning Compassionate Neighbours programme has seen exponential growth in the last 12 months, with the number of volunteers increasing by 26% to 380, with 320 matches. The rollout to other hospices across London and the South East has been incredibly successful, and we are now leading a group comprising ten other hospices. The first Compassionate Neighbours Conference combined with website and social media activity has stimulated even greater interest, and now looks set to drive continued growth and engagement. We are working closely with the other adopter hospices in order to roll out more projects across the hospice network nationally.

Service user feedback is essential in our quality improvement journey as it is vital to be able to monitor what we do well and what we need to do better or differently. We also refer to our User Group – an independent group drawn from our volunteers – as a sounding board for both patient and organisational ideas. The CEO, SMT and senior members of the workforce regularly participate in their weekly User Group meetings to share and discuss new initiatives, to obtain feedback on our service provision, and to provide a steer. Their contribution to our quality improvement strategy is invaluable. Feedback from patients and their families from 'I Want Great Care' provides us with a benchmark, and with a maximum average rating of 5 out of 5 we continue to be humbled every day by the feedback we receive.

Partnership working and collaboration

We fully recognise we cannot meet the needs of all our patients without the invaluable contributions of like-minded partner organisations.

In the last 12 months, we have continued to work closely with local NHS providers, Clinical Commissioning Groups (CCGs), STP, Marie Curie, Age UK East London, Macmillan Cancer Support and with many other voluntary sector care providers to deliver integrated services.

Family feedback

Below is a selection of comments from I Want Great Care which is a questionnaire used to assess patient, families and users of our service about our care, our services and environment:

Review of Namaste - 27th September 2019

He likes to talk about the old days - is very repetitive. The Namaste member would sit and listen and chat with him for an hour - girly full attention. She came on a Tuesday she spoke to him in Turkish. He really looked forward to her visits each week.

Review of St Michael's Ward - 27th September 2019

Your care is great, you put people, patients and their families and friends at ease. Your explain things wonderfully. Just carry on doing what you are.

Review of the Hospice - September 2019

Everybody has been so helpful and caring. A big change in my husband has been seen due to his care here.

Review of Community Nursing team – Newham - 28th August 2019

The passion that comes within them, you feel the genuine care.

Review of Lourdes Ward - 4th August 2019

Everyone is very kind and caring. Always someone around to talk to. I feel safe and comfortable.

Review of Complementary Therapy - 4th August 2019

The therapist took time to listen and then to provide exactly what I needed. I feel deeply relaxed and at ease, physically and mentally and ready to cope with the stresses of caring for my husband.

Patient feedback

Review of Day Hospice - 29th November 2019

Hospice is a place I will always remember for the people that takes care of us are very pleasant and worked hard.

Review of Complementary Therapy - 30th October 2019

From the reception to the therapist and all the staff I get a very warm welcoming feeling I now look forward to coming to this place throughout the week.

Review of Complementary Therapy - 27th September 2019

Everything!!! What an amazing place! Everyone is wonderful, full of life, love and compassion. All very empathetic. I am so thankful for this service, has given me a new lease of life. Inclusiveness, Brill, fab.

Review of Counselling - 27th September 2019

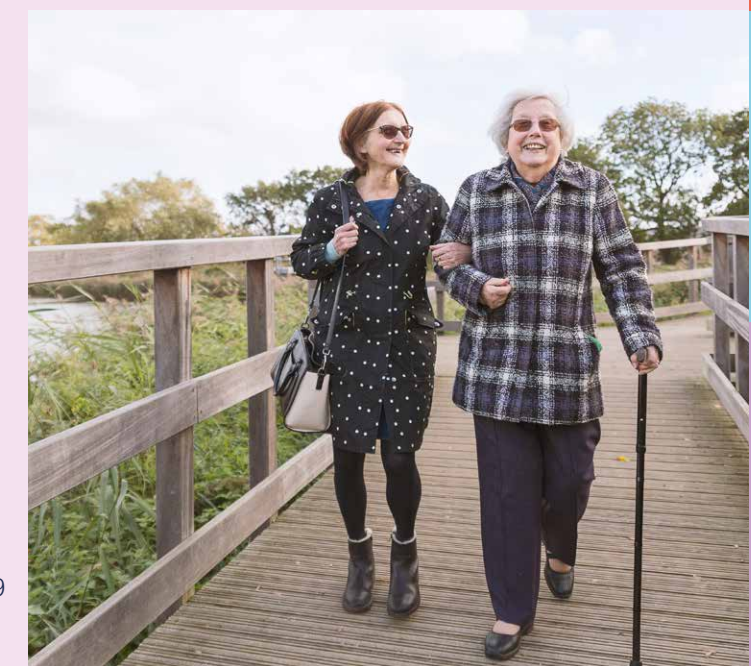
Art therapy offers a wonderfully, safe space for exploring art making with a wide range of materials and expert practical support. As my own neurological condition progresses, art therapy group is such a support to mind, body and soul!

Review of Lourdes Ward - 27th September 2019

The staff was very caring and friendly. I was treated with respect they told me everything I wanted to know. I had a lot of confidence and trust in the staff. Anything you asked was never too much for them. I think the nurses and doctors was great.

Review of St Michael's Ward - 27th September 2019

Everything, whatever want you, they get, whenever call come, never have to wait. Restful and peaceful, don't think about bad things. Brilliant staff, even the cleaners just bring me cup of tea can't say a bad word about anything. Nothing to be improved. Brilliant.





Human resources

Our HR department is driving a number of major programmes in order to further improve our organisational and cultural strengths. These include the migration of our HR and Payroll MIS to a new system that will underpin all our people, pay, training, education and development work providing staff and managers with better information, the development of a “pay and pay progression” model that takes account of both the local pay markets and the mission and values of the Hospice.

Looking after the welfare of our staff is of paramount importance. St Joseph’s Hospice is at the forefront of delivering care, training and support tailored to individual needs and we will continue to develop and share best practice.

Staff engagement and voice

Our “one staff concept” recognises the value of employees and volunteers and the unique contribution of both groups to the Hospice, recognising that motivated and engaged individuals are critical to the continued high standard of care experienced by our patients. Key to embedding this concept in the Hospice was ensuring that the staff team has the same access to information and services throughout the Hospice.

Our induction programme has been extended to volunteers so that our paid and unpaid workforce are afforded the same opportunities to learn about the organisation. We are improving skills and development opportunities for our volunteers to attract more people, and are working collaboratively in community outreach with other projects at the Hospice, promoting our Compassionate Communities model.

Positive, proactive and consistent workforce engagement continues to be a high priority,

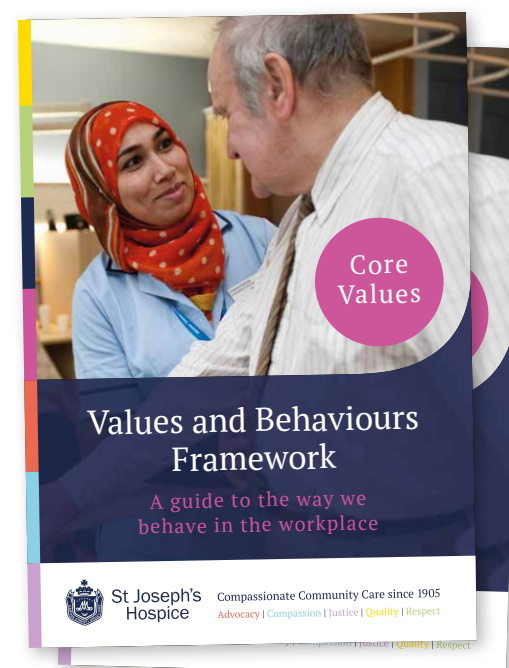


and we are proud to celebrate long service from staff and volunteers, some who have worked at St Joseph’s for more than 40 years.

Our staff engagement is delivered through weekly SMT briefings, regular CEO updates, CEO Clinics and Bulletins, SMT surgeries, as well as news on our intranet and via email to the whole workforce. This strategy has been further extended to our commercial tenants in order to more fully engage them in Hospice activities and news.

We are in the second year of our very popular “staff love” programme where we celebrate specific special events in the calendar with our workforce such as St Valentine’s Day, Easter and Christmas, as well as the presentation of long service awards on St Joseph’s Day.

We have continued to provide opportunities for reflective practice via the well-attended Schwartz Rounds, and have launched our Values and Behaviours Framework. The Framework - led by the Mission team and co-created with the workforce - lays out St Joseph’s guiding principles.



We have re-envisioned and re-introduced the Equality Diversity and Inclusion Committee and, as a result of which, two Freedom to Speak Up Guardians were trained and appointed to have oversight of clinical and non-clinical concerns, and they in turn trained 17 Freedom to Speak Up champions from all parts of the staff team across the Hospice.

The staff survey that we ran last year has yielded positive results, in particular running workshops to discuss the findings, enabling us to dig deeper into the employee experience. The success of the action plan that was developed to address the survey findings will enable the staff experience to be measured in the next piece of research and so on into the future.

This has spearheaded our drive across the Hospice to ensure that we are even more dementia-friendly; all staff undergo mandatory training to understand the needs of dementia patients, and we have introduced new ‘my name is’ dementia-friendly name badges for all staff and patient-facing volunteers.

Freedom to speak up

Our policy was established during the year, and guardians and champions have been appointed. No concerns or cases have been raised during this period.

Enterprise

Our Enterprise strategy was developed as a pillar within Vision 2024 to establish a more predictable and sustainable income stream for the Hospice and therefore reduce our reliance on our block contract and fundraising.

The strategy has been brought to life through space utilisation planning, as well as by making modest investments in unused parts of the site that we have converted then rented to organisations that are aligned with our overall ethos.

A privately owned Nursery is firmly established on the Hospice site and is in the second year of its lease. The Nursery intends to expand its business by renting additional space in the 2020/21 financial year. It will be located in Mare Street Wing - a previously unused building on the Hospice site that is in the process of being renovated as part of a wider estate review.

Demand for office space within the Hospice site currently outstrips supply - the 13 offices in St Patrick’s Wing that we rent to local businesses are fully occupied. The renovation of Mare Street Wing will release additional space for commercial rental to local businesses.



The staff survey that we ran last year has yielded positive results, in particular running workshops to discuss the findings, enabling us to dig deeper into the employee experience.



In January 2020, we welcomed a lymphoedema service that re-located from elsewhere in the borough to St Joseph's; we are already working collaboratively with this organisation in a number of areas. We also generate rental and hospitality income from our stunning education and conference facilities, as well as our Garden Room and Finding Space room, to community-based organisations, social enterprises and commercial businesses for meetings, events and workshops.

Our first pop-up shop in Well Street provided the opportunity to test the potential for a retail presence in the area, and subsequently led to the launch of our first permanent high street shop – the Five Sisters Charity Shop in Mare Street.

The Five Sisters Charity Shop has generated welcomed additional income in its first few months of trading, and we continue to be grateful to the local community for their generous donations of quality used goods.

We plan to further extend our retail portfolio, aiming for two additional shops a year, as well as strengthening ecommerce by incorporating an online shop into a new website that is scheduled for delivery in Q2 2020/21.

We are in the process of reviewing how the impact of Covid-19 may affect income and licence and lease renewals in 2020/21.

Estates

In the last 12 months, our main focus has been to further strengthen the site and Hospice resilience. This strategy has been underpinned by a comprehensive site audit that informed the action plan that included a review of safety policies. At the same time, all contracts have been analysed then re-negotiated or re-tendered where appropriate in order to ensure that the Hospice is receiving the best value for money, and this has delivered a number of savings.

We have also continued to redevelop parts of the Hospice site, releasing refurbished areas so that they can be utilised for commercial purposes as part of the Enterprise strategy. A major project that was started in Q4 and that will continue into the new financial year is the refurbishment of Mare Street Wing – a building previously used for residential purposes but that has been unoccupied for several years. Once completed, this will be available for commercial rental to a private nursery and to rent as offices to local businesses.

Energy, environment and sustainability

Our approach to the environment and sustainability has been overhauled, and we are starting to embed this into the wider Hospice strategy and behaviours across the organisation. Our longer-term goal is to work towards a nationally recognised award in environmental sustainability.

Our new strategy is underpinned by a Sustainability Management plan that sets out our forward path. This includes identifying and addressing waste issues, which are partly due to aged equipment, plant and machinery across the site such as the ventilation and insulation systems.

As a long-term strategy, a recently commissioned site energy survey has identified potential energy saving initiatives that will help bring about sustainable changes to how we operate. The Hospice proposes to introduce a spend to save initiative that will see the installation of solar panels: Such a measure will reduce our electricity bills and carbon footprint. These measure will also have positive impact on our gas bills by effectively insulating areas that have been identified in the report as requiring improvement.

Energy and carbon emissions

	<i>Proportion of which are UK emissions %</i>	<i>kWh</i>
Direct emissions		
Combustion of gas	100%	2,477,444.00
Indirect emissions		
Purchase of electricity	100%	1,122,751.70

1 April 2019 to 31 March 2020

One early success has been an analysis of our energy and utility contracts including an assessment of their environmental credentials. This review resulted in the subsequent delivery of some cost savings.

We have focused on addressing key areas through working groups, identifying any investment needed as well as potential cost savings so that they can be built into the Hospice's financial plans.

An environmental audit has identified ways in which we can reduce waste and improve recycling. For example, to reduce our use of paper, a system has been created to make notebooks from scrap paper. These notebooks are now widely used across the Hospice.

The (free) loan of an electric car for the Community Palliative Care Team (CPCT) was negotiated and green champions have been identified for all departments across the Hospice.

Our plan to install beehives on the rooftops have been postponed for a year as a result of the pandemic, but we aim to have them in place by the start of FY 2021/22. The hives will create honey that we plan to sell and market as a Five Sisters brand.

Looking ahead, smaller additional workstreams will be created on energy use, waste, resource use, transport, culture/communication/education and finance in order to drive forward specific initiatives.

Funding and fundraising

Funding

We have exceeded year 1 of our three-year financial strategy due to an unexpected windfall, specifically a large legacy. Funds were further boosted by additional new income generated through the Enterprise strategy which exceeded plan.

We have continued to work closely with our Commissioners in order to maximise income for the Hospice, and have a wide-ranging engagement strategy to help plug the funding shortfall through funders, Enterprise and a robust fundraising programme.

From an operational perspective, we have introduced tighter financial management processes including more robust and earlier budgetary planning and monthly meetings with budget holders.

Fundraising

A mid-year restructure of the Fundraising department has facilitated a tailored focus on each income stream, specifically: relationship fundraising, public fundraising, and legacies.

With relationship fundraising, the approach has been to strengthen our funder and corporate pipeline, and to cultivate relationships with potential high net worth individuals through existing corporate partners and donor receptions. Additionally, we have worked hard to build relationships with local faith leaders to promote our work, and to encourage support from their parishioners and members.



St Joseph's has a strong tradition of experiencing tremendous community support, and one focus over the last 12 months has been to re-establish engagement with local supporters and businesses to reinvigorate our public fundraising programme.

For retail, establishing a team of volunteers to support the two shops in Mare Street and Well Street has been a priority, and this will continue into 2020/21 as we look to build our high street presence still further. There are also plans to generate additional income through merchandising and online shopping.

Legacy income is almost impossible to predict, but we have been very fortunate to have received several substantial legacies over the last 12 months, and we continue to host will writing workshops as part of our longer-term strategy.

The department continues to benefit from a number of operational enhancements, including a robust stock management system to ensure flow from delivery/collection to the shops, ensuring stock turnover and to maximise our storage facilities. A plan is in place to upgrade the department's database system in 2020/21. This will help to reduce time spent on administration and will enable fundraisers to manage their programmes more effectively. A new Gift Aid strategy is ensuring that income potential is maximised.

Several highlights from the year include:

Five Sisters Charity Shop

On 4th July 2019, St Joseph's Hospice opened its very first permanent charity shop. The Five Sisters Charity shop on Mare Street was welcomed by volunteers and the community, and raises around £5,000 each month from the sale of donated items.

Great East End Walk

On 1st September 2019, 136 walkers assembled in the St Joseph's Hospice car park to join the Pearly Kings and Queens for our annual Great East End Walk – raising a fantastic £38,000 including a £5,000 sponsorship from Link FX.

Will Writing Workshops

2019 saw St Joseph's Hospice roll out its will writing workshops with partners McClure Solicitors and Hillman Legal. Open to staff,

volunteers, patients and supporters, we held seven workshops across the year with over 100 people attending with 8 wills confirmed to include a gift in their will (total value £362,650) to St Joseph's Hospice.

Albert Gubay Foundation

In 2019, we applied to the Albert Gubay Foundation for funding towards the proposed refurbishment of St Michael's Ward. The Foundation granted £500,000 towards the project, the highest given grant in their history.

Light up a Life

Light up a Life 2019 was a wonderful evening, with over 650 people attending the service - the most in five years, 3,928 dedications to a loved one and raising £51,653 in income. It also saw us launch our first online tribute facility for donations to dedicate a "virtual" star on a tree online.

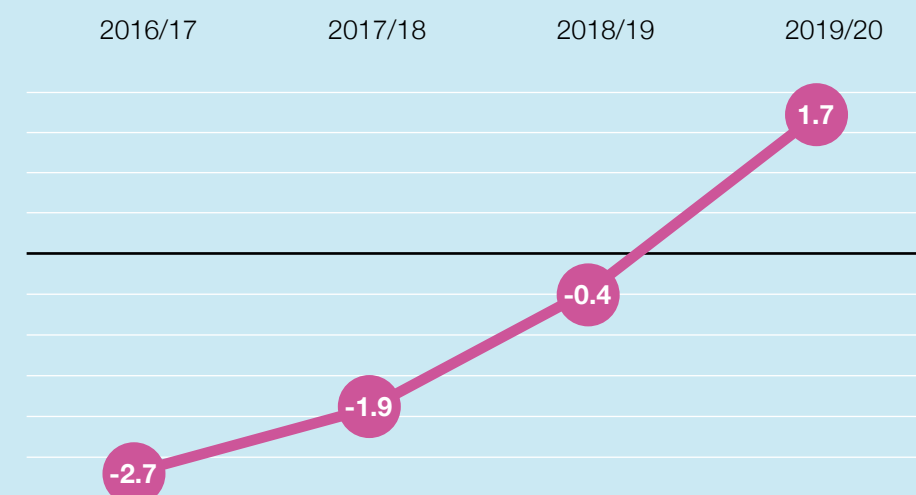
Despite the current challenges, we are in a good place following a successful 2019/20 financial year, and are moving forward with confidence into 2020/21.

Future planning

Our five-year plan remains robust and flexible, enabling us to refine our planning in response to changes to the internal and external environment. In particular, the Covid-19 pandemic was outside our control and could not have been predicted, but we have dealt with the crisis head on, and have been able to demonstrate that we have the people and processes in place to effectively and swiftly manage whatever challenges come our way.

As to the impact of the pandemic, it does bring some uncertainties to our financial position, and we have had to adapt our ways of working and change or in some cases halt clinical services across the organisation. We are continuing to assess what the short- and long-term effects could be, and are actively managing and mitigating risk through our robust risk strategy.

Operating Surplus / (deficit) £m



Financial Review

The Hospice saw a continued improvement in its financial performance in 2019/20, with an operating surplus of £1.7m, which follows on from reducing operating deficits over the previous three years, from £2.7m deficit in 2016/17, £1.9m in 2017/18 and £0.4m in 2018/19. Excluding depreciation, the operating surplus was £2.3m.

Including net investment gains of £1.5m, the net result for 2019/20 was a surplus of £3.2m, compared with a surplus of £1.6m in 2018/19. The investment gain includes a loss of £0.2m in relation to market value movements on listed investment funds, which was adversely affected by the impact of Covid-19 in March. This was however more than offset by a £1.7m gain in relation to the revaluation of investment properties.

Total income was £1.4m (10%) higher than last year at £15.1m. Legacy income was up by £767k (25%), largely due to a large legacy received in the year of £2.2m from the USA. CCG contract income was up by £572k (7%), although this included £357k additional non-recurrent income, as part of the £25m funding allocated nationally to Hospices. The balance of the increase relates to the uplift to the CCG block contract of 2.7% for 2019/20.

Operating expenditure was down by £743k (5%), primarily in relation to staff costs (down by £741k, 7%). The reduction in pay reflects improved management and control over staffing costs,

including agency staff, and also the full year effect of the headcount reductions made in 2018/19. Overall average full-time equivalent staff numbers reduced from 217 to 213.

In 2018/19, the Hospice liquidated approximately £2.5m of investments to provide a cash buffer in the context of legacy operating deficits in previous years. In the event, through diligent cash management, that buffer was not utilised and the Hospice has further increased its cash balances by £2.6m during 2019/20, with a closing balance of £6.7m. The Hospice is now in a position to re-invest the cash buffer, notwithstanding the uncertainties presented by the impact of Covid-19.

Overall funds of the Hospice increased by £3.3m to £37.4m, almost entirely in relation to unrestricted funds. The general unrestricted funds are free reserves represented by net current assets and long-term investments, net of restricted reserves and investment properties. Long-term investments include commercial property valued and commercially let surplus space with a combined value of £5.9m with the remainder in a broad-based equity investment fund with CCLA valued at £6.7m.

Going forward, the Hospice has set a plan for an operating deficit of just under £0.3m for 2020/21 and remains on course for a sustainable surplus thereafter, in line with its strategic plan, notwithstanding the impact of Covid-19.

The Hospice has taken a prudent view on income for 2019/20, as it cannot necessarily expect a similar level of legacy income (given the exceptional nature of the major legacy received in 2019) and also the non-recurrent funding received from the Government as part of the £25m allocated nationally. The Hospice has budgeted for pay awards to staff in 2020/21, to bring the Hospice closer to market rates and expects to reduce the number of staff vacancies through improved recruitment and retention of staff. The CCGs block contract expires on 31 March 2021 and a key priority for the Hospice is to renegotiate a new contract with the CCGs which will ensure sustainable services, in terms of quality, workforce and finance. In parallel, the Hospice will continue to grow its commercial income, through optimising utilisation of space for rental purposes.

Reserves policy and financial position

As of 31 March 2020, the general funds of £12.2m exclude tangible fixed assets, investment properties and restricted reserves and, therefore, are the free reserves available to the charity for use towards its charitable purposes.

Our trustees review the reserves policy each year and set financial plans accordingly. The general unrestricted funds at 31 March 2019 were £10.2m amounting to approximately 8.5 months of operating expenditure, which was slightly below the prevailing policy of circa 10 months. The unrestricted funds as at 31 March 2020 of £12.2m, now represents almost 11 months of operating expenditure. The trustees will continue to review the level of reserves appropriate to the charity.

Investment policy

The Hospice had listed investments with a market value of £6.7m at 31 March 2020 (2019: £6.9m) together with investment properties with a market value at that date of £5.9m (2019: £3.9 m).

There are no restrictions on the Hospice's power to invest. The investment strategy is set by the trustees and takes into account income requirements, the risk profile and, in the case of listed investments, the investment manager's views of the market prospects in the medium term. The overall investment policy for listed investments is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the

same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five-year period.

The Finance and General Purposes Committee regularly reviews the performance of the investments against agreed benchmarks and the trustees are satisfied that their investment policy is being achieved. However, due to stock market volatility, including the impact of Covid-19, it is difficult to rely upon capital growth of investments with any certainty, in the short to medium term. This reinforces the appropriateness of the reserves policy selected by the trustees.

Key management personnel

The trustees consider that they, together with the Senior Management Team, comprise the key management personnel in charge of directing, controlling, running and operating the charity on a day-to-day basis.

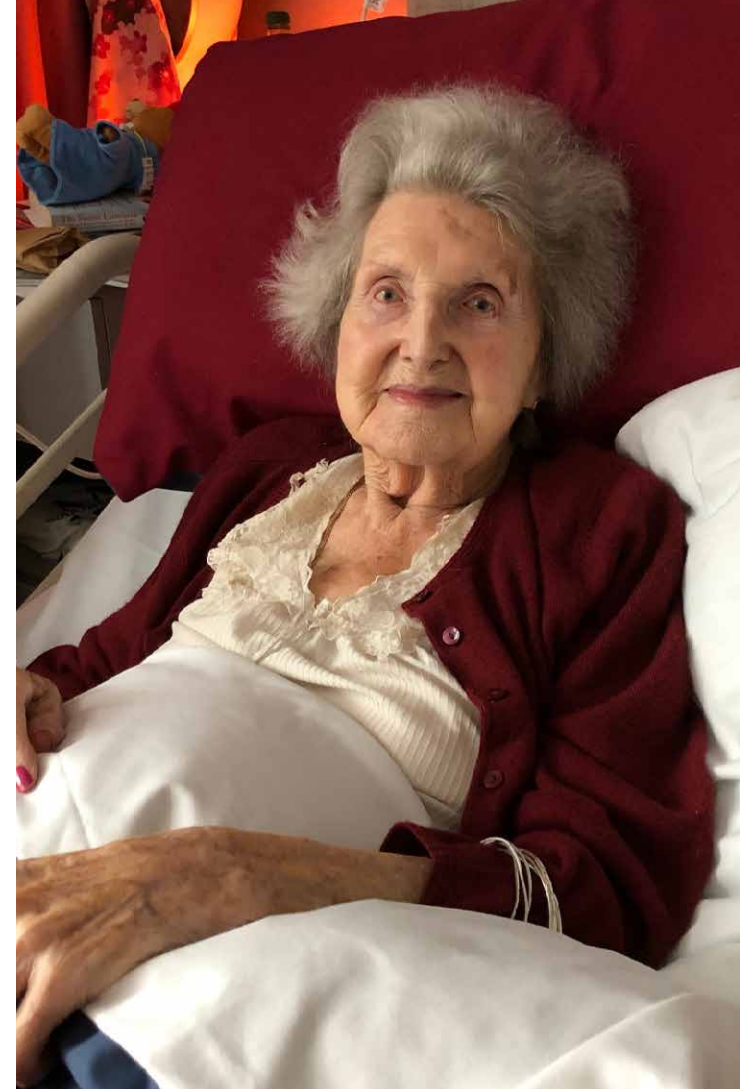
Salaries for the Senior Management Team are set having regard to national pay agreements, considering the seniority and experience required by each post.

All trustees give their time freely and no trustees were remunerated during the year (2019: no remuneration). Details of trustee expenses are disclosed in note 8.

Risk management

We have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. The Covid-19 pandemic will bring some uncertainties to our financial position moving forward, and we have had to make changes to our operations and clinical services across the organisation. The key risks identified include the following:

Clinical risks to patients under our care, either as inpatients or in their usual home. These risks are mitigated by the use of appropriately qualified and trained clinical and care services staff; having appropriate equipment which reduces risk, such as automated equipment to prevent human error; having robust policies and procedures in place; and our incident reporting system which includes reporting near misses so that future incidents can be prevented.



The Hospice saw a continued improvement in its financial performance in 2019/20.



Covid-19

From a Covid-19 perspective, risk mitigation has centred on limiting the introduction of the virus to the Hospice, including the management of patients admitted with potential infection, the infection or potential infection of staff, and staff shortages due to isolation procedures. Controls have been introduced to significantly reduce footfall. This has meant not permitting visitors to inpatients other than one person at the end of life, and not allowing any commercial visitors or volunteers. The use of technology such as video calls has been helpful, but nevertheless there has been an impact on the number of referrals. We are actively reviewing this policy in line with government guidelines.

Visits to patients in their homes and outpatient services have been replaced, where possible, with telephone or video support, and some, such as Day Hospice, have been postponed.

Securing adequate PPE has been challenging across the healthcare sector, but St Joseph's has been able to procure sufficient supplies through a number of means such as active campaigning through the media, the support of the local community, and through some NHS commercial channels.

Financial stability and sustainability

This risk is mitigated by a robust three year financial plan which includes developing ongoing relationships with our NHS commissioners so that our services are responsive to their changing needs; diversifying funding streams so that we are less reliant on NHS income, for example by seeking funding from trusts, foundations and local authorities where relevant; and strengthening our fundraising team to increase general fundraising income and continue legacies marketing.

The Enterprise strategic pillar has been successful in generating a sustained revenue stream through improved space utilisation and modest levels of investment. However, Covid-19 has affected the income of some of our office renters – most of whom are small businesses or self-employed individuals – and as a charitable organisation we have offered short-term rent reductions in order to provide support, and with a view to securing licence renewals in July.

We took the decision to temporarily close the restaurant in April 2020 due to the pandemic. Footfall had decreased as many staff as well

as licence holders were homeworking, and day services had been postponed. To mitigate the impact, breakfast and a hot food offer were introduced to the Five Sisters Café, and this has successfully provided a service to staff, as well as generating income, albeit at a reduced level. Discussions regarding re-opening the restaurant are ongoing.

There has been a considerable impact on fundraising across the charity sector, and our Fundraising department anticipates lost revenue of £100,000 due to cancelled events.

Hospice operations

Many of our operational staff have been homeworking since April, in line with government guidelines to stay at home. This has been particularly important for staff who are self-isolating, are at high risk, or who usually travel to work by public transport. Homeworking has been facilitated by the IT department, who more than doubled our remote working capacity. In order to minimise exposure to the virus on public transport and to ensure that key workers were still able to safely travel to work, an agreement was negotiated with Hackney Council whereby staff have been able to drive and park in residential zones in the local area. More than 80 staff have taken advantage of this agreement to-date, and this has helped to limit staff absence levels.

Major incident at the Hospice site

This risk is mitigated by our fire and other incident policies and procedures. We are strengthening our plans into a full disaster recovery plan.

We believe that by examining the operational and business risks faced by the charity in delivering care services, and by monitoring reserve levels and ensuring controls exist over key financial systems, we have established effective systems to mitigate those risks. We keep a detailed risk register, which is reviewed at least annually by the Finance and General Purposes Committee, with the help of the Clinical Governance Committee.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future services. In particular, the trustees consider carefully how planned activities will contribute to the aims and objectives they have set, all with the purpose of delivering public benefit.

Fundraising

The Hospice aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to share a factual, accurate and inspirational picture of the Hospice and its activities, inviting constituents to donate with confidence and clarity as to how their donations will be used. The Hospice is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. St Joseph's Hospice never pressurises its supporters, nor implies preferential treatment to those who donate.

As noted above, it applies best practice to protect supporters' data and never sells, or swaps data, and ensures that supporters' and donors' communication preferences can be changed at any time. The Hospice manages its own fundraising activities, and does not employ the services of professional fundraisers. The Hospice undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them to improve its service. During the year ended 31 March 2020, the Hospice received no complaints about its fundraising activities (2019 – none).

Employees

The Hospice is an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

The Hospice aims to attract and retain high quality staff. When determining salary rates the Hospice always has regard to national pay agreements and considers the seniority and experience demanded by each post.

Voluntary support

The trustees give sincere thanks for the significant contribution that volunteers make to St Joseph's Hospice. During the year, more than 600 volunteers gave their time with enthusiasm and generosity and we are indebted to them for all they do. Our volunteers completed more than 52,000 hours of volunteering across the year, which is a phenomenal contribution and is increasing significantly each year. We have been building upon our Investing in Volunteers accreditation, ensuring our training and induction programmes are robust and give our volunteers the best experience with us, as well as ensuring that our volunteers are supported well in their roles. We have also worked with more than 50 young people through work experience placements, group activities and careers panels to encourage younger people aged 16+ to consider careers in Health and Social Care.

Two thirds of volunteers have a degree of patient contact in their voluntary role. We have embedded our award winning Compassionate Neighbours programme into our ward befriending role to ensure that our patients are receiving the highest quality support. This has enabled our neighbours to feel more supported when volunteering on the wards and for us to support more people. The opening of our new retail sites has significantly increased our need to recruit more volunteers, and will be developing new partnerships in the coming year to support us to that end.



Governance, structure and management

Constitution

St Joseph’s Hospice, Hackney, a charity registered under the Charities Act 2011, is constituted as a company limited by guarantee and is governed by its Memorandum and Articles of Association.

Liability of the members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up during the period of membership, or within the year following, company members are required to contribute an amount not exceeding £1.

Structure

The charity has staff based at three locations: the majority at St Joseph’s Hospice in Mare Street, Hackney; and two community outreach locations in Newham: at East Ham Care Centre and Richard House Children’s Hospice. Services are also delivered in patients’ own homes. The charity is governed by its trustees (the Board) which meets regularly throughout the year to determine strategic vision and direction. The trustees appoint a Chief Executive who is responsible for the day-to-day running of St Joseph’s Hospice and for implementing Board decisions.

The Registered Manager is the Director of Care and the CEO is the Responsible Individual for Care Quality Commission registration purposes.

Trustees

The trustees listed on page 1 were in office at the date on which this annual report was approved. The trustees who served on the Board throughout the year to 31 March 2020 and up to the date on which this report was approved are shown below.

Directors	Appointed/resigned
Mr Paddy McGuinness CMG OBE MA (Chair)	
Prof Francis Campbell BA MA PhD (honoris causa) DUniv (Vice Chair)	Resigned 19 May 2020
Sister Rita Dawson MBE DL RSC MSc BSc (Hons) RGN RSCN	

Directors	Appointed/resigned
Margaret Doherty BA (Hons) DEBA MCIPR	
Sister Jackie Doherty RSC	From 25 February 2020
Nigel Harding BA (Hons) MSc	Resigned 31 May 2019
Mr Edward B McGuigan BA FFA FIPA	
Prof Jim McManus BD (Hons) FFPH CPsychol CSci FRSB FBPoS	
Dr Una Molloy	From 21 September 2019
Dr Michael Moran PhD MMedSci MBBChBAO BSc (Hons) MRCS DO-HNS	
Sister Geraldine O’Connor RSC	Resigned 25 February 2020
Mr Peter Pledger	

The election of trustees

The trustees are elected at the Annual General Meeting of the charity by the members. Trustees are normally elected for an initial term of three years and, if reappointed, may serve for a second term of three years. In exceptional circumstances, the members may reappoint a trustee for a third term of three years. The maximum length of service is therefore nine years. The trustees, with the consent of the Provincial Superior of the Sisters of Charity, also have the power to co-opt people during the year to help deal with specific matters.

The trustees are recruited and selected for their specific skills and experience which currently cover law, finance, fundraising, business, clinical, nursing and healthcare.

Policies and procedures relating to trustees’ training and induction

All trustees receive induction on joining the Board so that they are equipped to carry out their role, as well as signing a statement of their willingness to serve as a trustee and completing a declaration of interests’ statement. Additionally, new Board members receive direct support from the Chair of the Board and the Chief Executive. In order to keep Board members informed about the charity’s on-going work, the Board receives

reports from senior staff members as required. In addition, members of the Board meet from time to time more informally with the management team and other staff to work on specific areas of development.

Statement of trustees’ responsibilities

The trustees (who are also directors of St Joseph’s Hospice, Hackney, for the purposes of company law) are responsible for preparing the trustees’ report and 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 charity and of the income and expenditure of the charity 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 of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102)
- make judgements and estimates that are reasonable and prudent

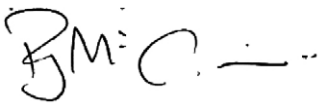
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charity’s auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity’s auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Signed on behalf of the trustees:


TrusteePaddy McGuinness

Date of approval:1st September 2020

Independent auditor's report to the members of St Joseph's Hospice, Hackney

Opinion

We have audited the financial statements of St Joseph's Hospice, Hackney (the 'charitable company') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2020 and of its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes 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 is also the directors' report for the purposes of company law and includes 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

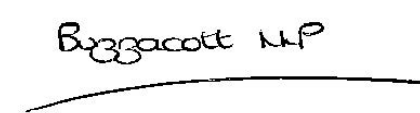
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

Use of our report

This report is made solely to the 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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Amanda Francis, Senior Statutory Auditor
for and on behalf of Buzzacott LLP,
Statutory Auditor
130 Wood Street
London
EC2V 6DL



2 November 2020

Financial Statements

Statement of financial activities Year to 31 March 2020

	Notes	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
Income and expenditure							
Income from:							
Donations and legacies	1	5,057	87	5,144	4,291	4	4,295
Other trading activities							
- Fundraising events		97	—	97	73	—	73
Investments and bank deposits	2	534	27	561	507	36	543
Charitable activities	3	8,898	349	9,247	8,321	409	8,730
Other income							
- Miscellaneous		25	4	29	39	—	39
Total income		14,611	467	15,078	13,231	449	13,680
Expenditure on:							
Raising funds	4	817	—	817	902	—	902
Charitable activities							
- Hospice inpatient care	5	8,563	77	8,640	9,206	79	9,285
- Hospice outpatient and day services	5	791	7	798	541	6	547
- Community palliative care services	5	1,926	209	2,135	1,880	177	2,057
- Psychosocial and bereavement services	5	640	—	640	732	—	732
- Education, training and research	5	253	33	286	400	131	531
- Patient café and dining room	5	42	—	42	58	—	58
Other costs		20	—	20	9	—	9
Total expenditure		13,052	326	13,378	13,728	393	14,121

	Notes	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
Net income (expenditure) before investment gains (losses) and transfers							
		1,559	141	1,700	(497)	56	(441)
Net gains (losses) on investments	11	1,557	(26)	1,531	1,977	61	2,038
Net income before transfers		3,116	115	3,231	1,480	117	1,597
Transfer between funds	14	62	(62)	—	80	(80)	—
Net income (expenditure) and net movement in funds	7	3,178	53	3,231	1,560	37	1,597
Reconciliation of funds							
Balances brought forward at 1 April 2019		32,278	1,859	34,137	30,718	1,822	32,540
Balances carried forward at 31 March 2020		35,456	1,912	37,368	32,278	1,859	34,137

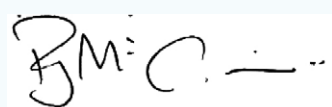
All of the charity's activities derived from continuing operations during the above two years.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Tangible assets	10		17,400		18,333
Investments	11		12,541		10,775
			29,941		29,108
Current assets					
Stocks		24		22	
Debtors	12	2,063		2,278	
Short term deposits		6,709		4,085	
Cash at bank and in hand		37		56	
		8,833		6,441	
Creditors: amounts falling due within one year	13	(1,406)		(1,412)	
Net current assets			7,427		5,029
Total net assets			37,368		34,137
The funds of the charity:					
Income funds					
Restricted funds	14		1,912		1,859
Unrestricted funds					
. General funds		12,186		10,059	
. Tangible fixed assets fund	15	17,400		18,333	
. Investment property fund	16	5,870		3,886	
		35,456		32,278	
		37,368		34,137	

Approved by the trustees and signed on their behalf by:



Trustee Paddy McGuinness

Date of approval: 1st September 2020

St Joseph's Hospice, Hackney: Company Registration No. 05513914 (England and Wales)

Statement of cash flows Year to 31 March 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	2,090	(477)
Cash flows from investing activities:			
Investment income and interest received		561	465
Purchase of tangible fixed assets		(168)	(1,166)
Proceeds from the disposal of investments		122	2,529
Net cash provided by investing activities		515	1,828
Change in cash and cash equivalents in the year		2,605	1,351
Cash and cash equivalents at 1 April 2019	B	4,141	2,790
Cash and cash equivalents at 31 March 2020	B	6,746	4,141

Notes to the statement of cash flows for the year to 31 March 2020.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2020 £'000	2019 £'000
Net movement in funds (as per the statement of financial activities)	3,231	1,597
Adjustments for:		
Depreciation charge	744	666
Gains on investments	(1,531)	(2,038)
Investment income and interest receivable	(561)	(465)
Decrease in stocks	(2)	10
Decrease in debtors	215	119
Increase (decrease) in creditors	(6)	(366)
Net cash provided by (used in) operating activities	2,090	(477)

B Analysis of cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	37	56
Short term deposits	6,709	4,085
Total cash and cash equivalents	6,746	4,141



Principal accounting policies

The principal accounting policies adopted, judgements used and key sources of estimation and uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2020 with comparative information presented for the year to 31 March 2019.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge
- estimating the open market value of investment properties
- allocating support costs across charitable activities
- estimating the value of legacies to be recognised in accordance with FRS 102; and
- estimating future income and expenditure flows for the purpose of assessing going concern (see below)

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements.

The impact of the Covid-19 pandemic has had a material adverse impact on the Hospice's fundraising and commercial income, as well as causing some additional expenditure. Although lockdown arrangements commenced in March, the main impact of this is expected to be felt during the early part of FY 2020/21 and is likely to continue to some extent well in to the financial year. The anticipated financial impact is being reported to the Hospice's Finance and General Purposes Committee and Board of Trustees and will be closely monitored on a monthly basis. In mitigation, the Hospice expects to receive approximately £0.5m of emergency funding from the Government in the first quarter of 2020/21, as its share of the £200m being distributed nationally to UK Hospices, although funding beyond this period is currently uncertain. The Hospice is relatively well positioned, compared with many other Hospices, in that its block contract income from CCGs represents over half of its income and will not be affected by Covid-19 and it has minimal reliance on retail income.

The impact of Covid-19 was felt with the downward valuation of the Hospice's listed investments at the end of March, with a reduction in value of £0.2m (3%) since 31 March 2019 and of £1.2m (16%) compared to a value just prior to lockdown on 10 March 2020. It is anticipated that equity markets will slowly recover during the course of 2020/21, assuming there is no worsening of the pandemic.

Once lockdown restrictions are eased then the Hospice expects to see fundraising income recover towards normal levels, although the timing of this is uncertain.

The increase in the level of unrestricted reserves to around 11 months of operating expenditure, which is above average for this type of Hospice, following the operating surplus of £1.35m surplus posted in 2019/20, gives the trustees some further assurance that the Hospice should be able to

come through the pandemic in a relatively stable financial position.

Notwithstanding the impact of Covid-19, the trustees of the charity have concluded that there are no other material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 March 2021, the most significant areas that may affect the carrying value of the assets held by the charity are the level of investment return and the performance of the both the listed and property investment markets (see the investment policy section of the trustees' report for more information).

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, legacies, income from fundraising events, income from investments and bank interest, and contracts, service level agreements and grants income for the provision of healthcare and related services.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.



Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity. Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Investment income from listed investments is recognised once the dividend has been declared and notification has been received of the dividend due.

Investment income generated from investment properties is recognised at the point when the income is due to the charity under tenancy or lease agreements.

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

Contracts and service agreements in respect to the provision of healthcare services are recognised to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be reliably measured.

It is measured at fair value of the consideration received or receivable, excluding any relevant value added tax. Grants from government, NHS bodies, Clinical Commissioning Groups and from trusts and foundations have been included as income from charitable activities i.e. the provision of healthcare and related services where they amount to a contract for services but as donations where the money is given in response to an appeal or grant application or with greater freedom of use, e.g. for core purposes.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, investment property expenses, staff costs associated with fundraising, and an allocation of support costs
- expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities i.e. the provision of healthcare and related services in respect to the care of persons suffering from terminal cancer and other palliative or chronic illnesses

All expenditure is stated inclusive of irrecoverable VAT.



Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned based on the number of full time equivalent staff allocated to each of the charitable activities.

Tangible fixed assets

All assets costing more than £750 and with an expected useful life exceeding one year are capitalised.

• Freehold land and buildings

Freehold land and buildings transferred to the charity on 1 April 2012 are included on the balance sheet at a valuation as at that date based on depreciated replacement cost. As permitted by FRS 102, this valuation is now assumed to be the deemed cost of these assets. Additions to freehold buildings since 1 April 2012 are included on the balance sheet at cost. Freehold buildings are depreciated at a rate of 2% per annum based on cost or deemed cost. No depreciation is charged on freehold land.

• Major building refurbishment

Major building refurbishment since 1 April 2012 is included on the balance sheet at cost. Major building refurbishment, once completed, is depreciated at a rate of 10% per annum based on cost. Major building refurbishment that is in progress is capitalised but only depreciated in accordance with the above policy once complete.

• Furniture, plant and equipment

Furniture, plant and equipment transferred to the charity on 1 April 2012 is included on the balance sheet at a valuation as at that date based on

depreciated replacement cost. As permitted by FRS 102, this valuation is now assumed to be the deemed cost of these assets.

Expenditure since 1 April 2012 on the purchase and replacement of furniture, plant and equipment (including computer equipment (hardware and software)) is capitalised at cost. Furniture and equipment is depreciated over a four-year period on a straight line basis. Plant is depreciated over 20 years on a straight line basis.

- **Motor vehicles**

Motor vehicles transferred to the charity on 1 April 2012 are included on the balance sheet at a valuation as at that date based on depreciated replacement cost. Motor vehicles purchased since 1 April 2012 are capitalised at cost. As permitted by FRS 102, this valuation is now assumed to be the deemed cost of these assets. Motor vehicles are depreciated over a four-year period on a straight line basis in order to write off the cost of each motor vehicle over its estimated useful life.

Fixed asset investments

- Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The charity does not acquire put options, derivatives or other complex financial instruments. As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.
- Properties held for investment purposes are included in these accounts at open market value. The valuations have been determined by the trustees, with professional assistance.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and

losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Stocks

Stocks of medical supplies, stationery and sundry stores are valued at the lower of cost and net realisable value.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Short term deposits relate to cash held in deposit accounts for medium term use or future reinvestment, but which are available on demand or have a maturity less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

The tangible fixed assets fund represents the net book value of the land and buildings occupied by the charity and other tangible fixed assets. Such assets are vital to the charity being able to carry out its charitable work and the value invested in the assets cannot, therefore, be realised in order to meet future expenditure or contingencies. To emphasise this point the net book value of the assets is represented by a specific tangible fixed assets fund on the balance sheet.

The investment property fund represents the value of the buildings utilised by the charity to generate a commercial return. Such assets cannot be realised easily in order to meet future expenditure or contingencies. To emphasise this point the value attributed to these assets is represented by a specific investment property fund on the balance sheet.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

Pension costs

Pension costs are payable in respect of defined contribution and defined benefit pension schemes. The charity is unable to identify its share of the underlying assets and liabilities of the defined benefit schemes on a reasonable and consistent basis. Therefore in accordance with FRS 102, it has accounted for its normal contributions as if the schemes were defined contribution schemes. Normal contributions are charged to the statement of financial activities when payable. The present value of the expected deficit recovery contributions are recognised as a liability at the balance sheet date. The amount is reviewed annually taking into account any changes to the deficit contribution rate or the implicit rate of interest used in discounting the liability.

Contributions in respect of personal pension schemes and defined contribution schemes are recognised in the statement of financial activities in the year which they are payable to the scheme.

Leased assets

Rentals applicable to operating leases where substantially all the benefits and risk of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.



Notes to the financial statements

1 Income from: Donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Donations	1,171	87	1,258	1,166	4	1,170
Donations of cremation fees received	14	—	14	20	—	20
	1,185	87	1,272	1,186	4	1,190
Legacies	3,872	—	3,872	3,105	—	3,105
Total funds	5,057	87	5,144	4,291	4	4,295

We are grateful to all the individuals, trusts and companies who have supported our work this year.

2 Income from: Investments and bank deposits

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Income from listed investments						
- UK common investment funds	200	27	227	267	36	303
Rental income from investment properties	312	—	312	228	—	228
Bank interest	22	—	22	12	—	12
Total funds	534	27	561	507	36	543

3 Income from: Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Statutory grants and service agreements						
- Clinical Commissioning Groups	8,576	—	8,576	8,004	—	8,004
Grants receivable – Big Lottery	—	138	138	—	89	89
Other grants and service level agreements	28	208	236	49	320	369
Fees for education services and room hire	164	—	164	140	—	140
Residences and other rental income	31	—	31	17	—	17
Income from provision of catering, telephone, newspapers and books	99	3	102	111	—	111
Total funds	8,898	349	9,247	8,321	409	8,730

4 Expenditure on: Raising funds

	Direct costs £'000	Support costs (note 6) £'000	Total 2020 £'000	Direct costs £'000	Support costs (note 6) £'000	Total 2019 £'000
Staff costs	433	—	433	566	—	566
Other direct costs	228	—	228	146	—	146
Support costs	—	156	156	—	190	190
Total funds	661	156	817	712	190	902

5 Expenditure on: Charitable activities

	Direct costs £'000	Support costs (note 6) £'000	Total 2020 £'000	Direct costs £'000	Support costs (note 6) £'000	Total 2019 £'000
Hospice inpatient care	6,572	2,068	8,640	7,206	2,079	9,285
Hospice outpatient and day services	583	215	798	418	129	547
Community palliative care services	1,647	488	2,135	1,577	480	2,057
Psychosocial and bereavement services	488	152	640	483	249	732
Education, training and research	233	53	286	386	145	531
Patient café and dining room	42	—	42	58	—	58
Total funds	9,565	2,976	12,541	10,128	3,082	13,210

6 Support costs

	2020 £'000	2019 £'000
Staff costs	1,332	1,589
Recruitment and training	50	210
Services contracted out	42	9
Consumables	22	13
Maintenance and running costs	463	473
Depreciation	743	577
Office expenses	462	383
Auditor's remuneration	18	18
	3,132	3,272

Support costs are allocated to raising funds and charitable activities based on the full time equivalent staff allocated to each charitable activity.

7 Net income (expenditure) and net movement in funds

This is stated after charging:	2020 £'000	2019 £'000
Staff costs (note 8)	10,084	10,824
Auditor's remuneration		
- Current year audit fee	18	18
- Prior year audit fee	4	(4)
Depreciation	743	666
Operating lease rentals	9	9

8 Staff costs and trustees' remuneration

	2020 £'000	2019 £'000
Staff costs during the year were as follows:		
Wages and salaries	8,105	8,595
Redundancy and restructuring costs	4	126
Social security costs	812	868
Pension costs	502	510
	9,423	10,099
Seconded and agency staff	661	725
	10,084	10,824

Redundancy and restructuring costs include non-statutory payments totalling £4,344 relating to one individual (2019 – £79,247 relating to 7 individuals).

The number of employees who earned £60,000 per annum or more (including benefits but excluding employer pension contributions) during the year was as follows:

	2020	2019
£60,001 - £70,000	5	3
£70,001 - £80,000	1	3
£80,001 - £90,000	1	2
£90,001 - £100,000	—	—
£110,001 - £120,000	1	—

Of those employees who earned £60,000 or more during the year (as defined above), employer contributions are made to money purchase schemes in respect of five employees (2019 – four employees), and to defined benefit schemes in respect of three employees (2019 – three employees). Total employer contributions to pension schemes in respect of such employees during the year amounted to £56,365 (2019 – £46,168).

When determining salary rates for clinical staff, the Hospice always makes reference to national pay agreements and considers the seniority and experience demanded by each post.

Key management personnel remuneration during the year totalled £595,092 (2019 – £961,137).

No trustees received any remuneration during the year (2019 - £nil) and no expenses were reimbursed to trustees (2019 – none).

The average number of employees during the year, analysed per function, was as follows:

	2020 Full time equivalent	2019 Full time equivalent	2020 Average headcount	2019 Average headcount
Raising funds	9	11	10	12
Hospice inpatient care	145	135	174	176
Hospice outpatient and day services	7	4	10	9
Community palliative care services	16	16	17	16
Psychosocial and bereavement services	10	15	20	15
Education and training	3	8	5	8
Support and administration	23	28	25	30
	213	217	261	266

9 Taxation

St Joseph’s Hospice, Hackney is a registered charity and is not liable to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities.

10 Tangible fixed assets

	Freehold land and buildings £’000	Major building refurbishment £’000	Furniture, plant, equipment and motor vehicles £’000	Total £’000
At cost or deemed cost				
At 1 April 2019	16,464	3,099	2,152	21,715
Additions	—	90	77	167
Reclassification as investment property (note 11)	(425)	—	—	(425)
At 31 March 2020	16,039	3,189	2,229	21,457
Depreciation				
At 1 April 2019	1,675	779	928	3,382
Charge for the year	239	309	195	743
Reclassification as investment property (note 11)	(68)	—	—	(68)
At 31 March 2020	1,846	1,088	1,123	4,057
Net book values				
At 31 March 2020	14,193	2,101	1,106	17,400
At 31 March 2019	14,789	2,320	1,224	18,333

The Hospice’s freehold land and buildings held at 1 April 2012 were valued on a depreciated replacement cost basis by an external valuer, Gerald Eve LLP, following the transfer of assets and liabilities from The Religious Sisters of Charity Charitable Trust as at that date. The valuation was carried out in accordance with the valuation standards and guidance notes contained in the Valuation - Professional Standards, incorporating the International Valuation Standards (“the Standards”) of the Royal Institution of Chartered Surveyors (RICS) March 2012. Other tangible fixed assets transferred at that date are included at their net book value at the date of transfer i.e. 1 April 2012. As permitted by FRS 102, all valuations at 1 April 2012 are now assumed to be the deemed cost of the relevant assets. Additions to tangible fixed assets since 1 April 2012 are included at cost.

Capital commitments

At 31 March 2020, the charity had no capital commitments (2019 - none).

11 Investments

	Investment property £’000	Listed investments £’000	Total £’000
Market value at 1 April 2019	3,886	6,889	10,775
Disposals (proceeds: £122,154, gains £26,322)	(96)	—	(96)
Reclassification from tangible fixed assets (note 10)	357	—	357
Unrealised gains on revaluation	1,723	(218)	1,505
Market value at 31 March 2020	5,870	6,671	12,541
Cost of investments at 31 March 2020	1,599	4,515	6,114

Investment property comprises of:

- A commercial office building close by to the main Hospice site in Mare Street. This is let on a ten-year lease to a third party. The property was revalued by the trustees at 31 March 2017 using a method based on rental yields. There has been no change in rental yield, and hence valuation, since that date.
- A share in a house which was held jointly with a separate charity as part of the terms of a complex legacy where the two charities were the main beneficiaries. The house provided accommodation to the life tenant of the estate and reverted back to the charities on completion of the life interest. This property was included in the financial statements at its estimated market value at the time the charity became entitled to its share in 2012 and this was based on probate value. The property was sold in the year with a gain of £26k.
- Elements of the Hospice's estate, which have been converted to generate commercial income. In 2018/19, office space in St Patrick’s Wing and part of the ground floor of the Centenary Wing were rented out for the first time. During the 2019/20, another part of the ground floor of the Centenary Wing was rented out. The Mare Street Wing is undergoing refurbishment to be rented out from next year. These parts of the estate have been transferred to investment properties and revalued by using a method based on rental yields. The valuations were carried out as at 31 March 2020 by property professionals using an informal desktop approach after carrying out an inspection of the relevant properties. The valuations were not prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards, incorporating the International Valuation Standards (IVS) 2017 (The Red Book). However, regard to the reporting standards was had in order to reflect best practice.

- Despite the declaration by the World Health Organisation of the Covid-19 pandemic on 11 March 2020, at the time of the valuation property markets were continuing to function normally. However, there is an expectation that the market will have been adversely impacted subsequent to the valuation, certainly for the short term. The Hospice has no intention of disposing of its investment properties and is a long term investor. The trustees regard any post year-end drop in value to be disappointing but not material to an understanding of the charity's finances.

Listed investments held at 31 March 20120 comprised the following:

	2020 £'000	2019 £'000
UK common investment funds	6,671	6,889

At 31 March 2020, the charity's investments comprised holdings in COIF Charities Investment Fund only.

12 Debtors

	2020 £'000	2019 £'000
Revenue grants and fees receivable	168	158
Legacies receivable	1,528	1,766
Investment income and interest receivable	56	59
VAT recoverable	108	94
Prepayments	112	115
Other debtors	91	86
	2,063	2,278

13 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Expense creditors	509	545
Social security and other taxes	227	243
Accruals	430	430
Deferred income	118	82
Other creditors	122	112
	1,406	1,412

Deferred income consists of grants and contractual income received in advance.

	2020 £'000
Balance as at 1 April 2019	82
Income deferred in the year	65
Income released in the year	(29)
Balance as at 31 March 2020	118

14 Restricted funds

The income funds of the charity include restricted funds comprising the following donations and grants held on trusts to be applied for specific purposes:

	Mission fund £'000	Other restricted funds £'000	2020 £'000	Mission fund £'000	Other restricted funds £'000	2019 £'000
At 1 April 2019	1,607	252	1,859	1,542	280	1,822
Income	33	434	467	36	413	449
Expenditure	(7)	(319)	(326)	(9)	(384)	(393)
(Losses) gains on listed investments	(26)	—	(26)	61	—	61
Transfers	(23)	(39)	(62)	(23)	(57)	(80)
At 31 March 2020	1,584	328	1,912	1,607	252	1,859

The specific purposes for which the funds are to be applied are as follows:

Mission fund

This fund is to provide for resources to promote the mission statement and core values of Religious Sisters of Charity and St Joseph's Hospice. Transfers to unrestricted funds represent qualifying expenditure that was not charged to the fund when incurred.

Other restricted funds

These comprise monies provided to cover nursing and other specific costs. Transfers to unrestricted funds represent qualifying expenditure that was not charged to the fund when incurred.

15 Tangible fixed assets fund

	2020 £'000	2019 £'000
At 1 April 2019	18,333	18,225
Net movement in the year	(933)	108
At 31 March 2020	17,400	18,333

16 Investment property fund

	2020 £'000	2019 £'000
At 1 April 2019	3,886	1,966
Net movement in the year	1,984	1,920
At 31 March 2020	5,870	3,886

17 Analysis of net assets between funds

	General funds £'000	Tangible fixed assets fund £'000	Investment property fund £'000	Restricted funds £'000	Total 2020 £'000
Fund balances at 31 March 2020 are represented by:					
Tangible fixed assets	—	17,400	—	—	17,400
Investments	5,087	—	5,870	1,584	12,541
Current assets	8,505	—	—	328	8,833
Creditors: amounts falling due within one year	(1,406)	—	—	—	(1,406)
Total net assets	12,186	17,400	5,870	1,912	37,368
Accumulated unrealised gains included above consists of:					
- On listed investments	1,960	—	—	196	2,156
- On investment properties	—	—	4,271	—	4,271
	1,960	—	4,271	196	6,427
Reconciliation of movements in unrealised gains on investments					
Unrealised gains at 1 April 2019	2,152	—	2,548	222	4,922
Add: Net unrealised gains in the year	(192)	—	1,723	(26)	1,505
Unrealised gains at 31 March 2020	1,960	—	4,271	196	6,427

	General funds £'000	Tangible fixed assets fund £'000	Investment property fund £'000	Restricted funds £'000	Total 2019 £'000
Fund balances at 31 March 2019 are represented by:					
Tangible fixed assets	—	18,333	—	—	18,333
Investments	5,282	—	3,886	1,607	10,775
Current assets	6,189	—	—	252	6,441
Creditors: amounts falling due within one year	(1,412)	—	—	—	(1,412)
Total net assets	10,059	18,333	3,886	1,859	34,137
Accumulated unrealised gains included above consists of:					
- On listed investments	2,152	—	—	222	2,374
- On investment properties	—	—	2,548	—	2,548
	2,152	—	2,548	222	4,922
Reconciliation of movements in unrealised gains on investments					
Unrealised gains at 1 April 2018	2,088	—	1,020	212	3,320
Less: brought forward unrealised gains realised in the year	(379)	—	—	(51)	(430)
Add: Net unrealised gains in the year	443	—	1,528	61	2,032
Unrealised gains at 31 March 2019	2,152	—	2,548	222	4,922

18 Pension costs

National Health Service Scheme

Retirement benefits for nursing staff and staff previously employed by the National Health Service (NHS) are provided by a defined benefit scheme, the National Health Service Pension Scheme, which is funded by contributions from the Hospice and the employees.

The National Health Service Pension Scheme is an unfunded scheme. Contributions on a 'pay-as-you-go' basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out on a notional set of investments.

The charity is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the National Health Service Pension Scheme. For schemes like this, FRS 102 requires the charity to account for normal pension contributions on the basis of amounts payable to the Scheme in the year.

The Hospice has set out below the information available on the deficit in the scheme and the implications for it in terms of the anticipated contribution rates.

The pension cost is assessed in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contributory levels are as follows:

Latest actuarial valuation	31 March 2016
Actuarial method	Prospective benefits
Discount rate (real rate)	2.8% until 2019 and then 2.4%
Discount rate (nominal rate)	4.86% until 2019 and then 4.45%
Pension increases	2.0%
Long term salary growth	4.2% (CPI + 2.2%)
Value of assets at date of last valuation	£278.1 billion
Value of liabilities at date of last valuation	£297.5 billion
Proportion of members' accrued benefits covered by the actuarial value of the assets	93.5%
The employer's contribution rate for the year	20.6%

Contributions paid to the Scheme during the year amounted to £455,387 (2019 - £510,085), of which £196,960 (2019 - 181,605) were employees' contributions.

Royal London Pension Scheme

This is a defined contribution scheme where employees can choose their level of contribution.

19 Related party transactions

St Joseph’s Hospice, Hackney is connected to The Religious Sisters of Charity Charitable Trust, a registered charity, Charity Registration Number 231323, by virtue of the fact that the two charities have some trustees in common.

During the year, the following transactions took place between the charity and The Religious Sisters of Charity Charitable Trust:

- Expenses totalling £454,766 (2019 - £466,000) were paid by the charity on behalf of The Religious Sisters of Charity Charitable Trust during the year and were reimbursed.
- At 31 March 2020 The Religious Sisters of Charity Charitable Trust owed the Hospice £76,497 (2019 - £43,000).

During the year, trustees made donations to the charity totalling £8,089 (2019 - none).

There were no other related party transactions during the year (2019 - none).

20 Liability of the members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up, members are required to contribute an amount not exceeding £1.

21 Operating lease commitments

At 31 March 2020, the Hospice had the following future commitments under non- cancellable operating leases, relating to items of equipment; and a five-year lease on a shop, which is cancellable after three years, with a maximum increase rate of 10% at unspecified review dates.

	2020 £'000	2019 £'000
Operating leases payments due:		
- within one year	33	22
- within one to two years	22	11
	55	33



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Founded in 1905 under the care of the Religious Sisters of Charity. Charity No. 1113125



**St Joseph's
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