

Company number: 02588395
Charity Number: 1002856

St. Michael's Hospice (North Hampshire)

(Company Limited by Guarantee)

Report and financial statements
For the year ended 31 March 2022

**St. Michael's Hospice (North Hampshire)
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

Reference and administrative information	1
Trustees' annual report	3
Independent auditor's report	23
Statement of financial activities (incorporating an income and expenditure account)	27
Balance sheet	28
Statement of cash flows	29
Notes to the financial statements	30

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

Company number	02588395
Country of incorporation	United Kingdom
Charity number	1002856
Country of registration	England
Registered office and operational address	Basil de Ferranti House, Aldermaston Road BASINGSTOKE, Hampshire RG24 9NB
Patrons	Val Buckley The Earl of Portsmouth
Honorary Life President	Mr A Soundy
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

A Chancellor	Chairman
D Salisbury	Vice Chair
D Bowden	Honorary Treasurer Appointed 7 February 2022
C Burghes	
M Dolby	
S Goddard	Appointed 7 February 2022
C Hutchings	
J Lyons	
V Simpson	Appointed 8 November 2021
P Kaye	Retired 20 January 2022
M Poulter	Retired 21 March 2022
E Verney	Retired 9 August 2021

Key management

I Cameron	Chief Executive
P Aslet	Director of Nursing Appointed 6 December 2021
G Grace	Finance Director Appointed 6 July 2021
C Griffiths	Director of Transformation
L Pink	Director of Income Generation Appointed 4 January 2022
J Storrar	Medical Director
J Astles	Finance Director Retired 31 July 2021
H Maskell	Director of People and Culture Resigned 15 October 2021

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

Bankers	Lloyds Bank PLC 2, Winchester Street BASINGSTOKE, RG21 1EB
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane LONDON EC1Y 0TL
Investment Managers	CCLA Fund Managers Limited Senator House 85 Queen Victoria Street LONDON EC4V 4ET

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

The trustees present their report and the audited financial statements for the year ended March 31, 2022.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

St. Michael's Hospice is registered under the Health and Social Care Act 2008 (Regulated Activities) and the Care Quality Commission (Registration) Regulations 2009.

Objectives and activities

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Purposes and Aims

St. Michael's Hospice plays a dual role in the lives of those diagnosed with a life limiting illness. We are there to bring specialist palliative care, interventions and treatment for the person facing the end of their life and to provide support for those grieving their death and living with the loss.

A good death will be different for every patient. It may be that the idea of death at home, surrounded by family and photographs and in the place we are most ourselves, brings peace. For others the thought of being at home, where for loved ones a hole will always remain in the last place you rested, is not what a patient prefers, and when comfort may come from knowing medical care is always just a few steps away.

Often a good death will be one where goodbyes have been said, difficult conversations have happened, and where death comes with the knowledge that caring and professional people are watching out for loved ones. Whatever it means to an individual, is what we strive to achieve.

Our purpose is also to ensure that the days that come before are filled with as much living as possible. We are about life, about ensuring that the days that do remain can be as normal as

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

possible, about continuing to create memories, about tears and laughter, hobbies and passions, births and marriages. About football matches, painted nails, drives in the countryside, Valentine's dinners, hugs and holding hands.

So while the perception of hospices is that they are dark and scary and filled with gloom, the truth is different. Coming to St. Michael's our patients will remark on how different it is from what they imagined. How there is a lightness and brightness to the place, you are never far from a view of the gardens. How there is often laughter and how all the patients and their families are treated as though they matter, they are valued.

A good life cannot happen where there is pain, side effects from treatments, breathlessness, lack of mobility, strain and tension, or spiritual and emotional issues. Treating all this so that a good life and good death occur, means providing patient-centred, multidisciplinary, holistic care. Our teams are each highly skilled in their respective areas but it is the way they work together, the coming together of all the cogs so the engine runs perfectly, that means St. Michael's can provide outstanding palliative and end of life care.

These are the drivers that lie behind our seemingly simple mission statement: St. Michael's Hospice aims to enable anyone faced with a life-limiting illness, their families and carers, to attain the highest possible quality of life by providing a choice of specialist care and support.

To achieve this purpose, we have a clearly defined set of aims:

- Ensure that all people with life-limiting illness have access to the very best medical care and support wherever and whenever they require it, allowing them to be as free as possible from unpleasant symptoms and pain
- Support and care for our patients' families and loved ones who play a crucial role in their wellbeing
- Allow our patients to die with dignity in a place of their choice.

We meet our aims through the following activities:

- Providing specialist palliative medical and nursing care in our In-Patient Unit (IPU) for critical and complex cases and in people's homes through our Hospice at Home team
- Taking the lead in coordinating end of life and palliative care to the community across all stakeholders: the NHS, local GPs, Social Services and ourselves
- Therapeutic day care services for patients in the community
- Occupational therapy, physiotherapy, and complementary therapy services
- Providing family, spiritual and bereavement support
- Community and professional education.

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

Strategic report

Achievements and performance

The charity's main activities and the people it seeks to help are described below. All its charitable activities focus on the provision of specialist palliative care and support services to the terminally ill, their carers and family, and are undertaken to further St. Michael's Hospice's charitable purposes for the public benefit.

2021/22 began against the uncertain and unpredictable backdrop of the pandemic. During the year the development of the Omicron variant created significant pressures on the whole healthcare sector. As a result, the Hospice gained access to numerous unexpected grants made available by HM Government to manage the surge in cases and create capacity in hospitals in preparation for increases in admissions. Whereas this was very fortunate and welcomed, it masks the underlying operating deficit currently faced by St. Michael's. This, coupled with a worsening economic picture fuelled by events in Europe, makes prudent financial planning through the management of designated reserves a priority.

Significant Achievements

The following are key achievements for the past year.

- i. Rated 'Outstanding' for Caring and overall 'Good' by the Care Quality Commission (CQC)
- ii. Completed a restructure of the leadership team in line with strategic objectives
- iii. Appointment of a Director of Nursing, Director of Income Generation and Director of Transformation
- iv. Launched an electronic patient records system, and electronic prescribing to integrate into wider healthcare system
- v. Launched Hospice User Groups to gain the views of service users to develop future care
- vi. Increased referrals to Hospice at Home by 17%
- vii. Continued to facilitate secondary care services during the pandemic
- viii. Launched an organisational values-based staff appreciation scheme

Principal activities and performance

Care Services provision

Specialist palliative and end of life care is provided both in patients' own homes and at the Hospice in either our IPU or for visiting day patients in our treatment rooms.

The Hospice received an unannounced CQC inspection during the summer and was delighted to receive a rating of Good with an Outstanding for Caring. The report's recommendations have been acted upon and we continue to strive to achieve outstanding across all categories.

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

Measuring performance of care provision can be difficult but we monitor key indicators from our VOICES survey and will report on that in this section. More details on how we collect feedback is available later in the report.

Care service provision is broken down for discussion into IPU, Hospice at Home, Therapies, and Patient and Family Support Services.

In Patient Unit (IPU)

The IPU provides 10 beds for those patients whose conditions are the most critical and complex and who would therefore benefit from a period of intensive support. During the year there were 214 (2021: 225) admissions to the IPU and the average length of stay was 9.4 days (2021: 8.8).

For some, admission to the IPU enables the clinical team to treat and relieve symptoms associated with their disease or illness and thus patients can then return home. This is demonstrated by the fact that 81 (2021: 95) patients were able to return home after a period on the IPU. The IPU staff start parallel planning for discharge from the start of the admission, resulting in early discussions with patients and families about what they would need to be in place prior to discharge. We are then prepared for when the patient is well enough to be discharged.

One of our aims is to 'ensure that all people with life-limiting illness have access to the very best medical and nursing care and support wherever and whenever they require it, allowing them to be as free as possible from unpleasant symptoms and pain', and the latest figures from the VOICES survey for January 2021 to Dec 2021 show:

- 100% (2021: 100%) of respondents strongly agreed that there was enough help with nursing care

Another of our aims is to 'allow our patients to die with dignity in a place of their choice'. Achieving this can be difficult as the end of life may not always proceed in the way it was expected. The VOICES survey showed that 80% (2020: 82%) had a preference for where they wanted to die with 67% (2021: 77%) preferring to die at home and 52% (2021: 57%) achieved that. However, reflecting perhaps the degree to which things can change as an illness progresses, 96% (2021: 98%) of relatives felt on balance that their loved one died in the right place. Importantly, 98% (2021: 95%) of respondents felt the patient was treated with dignity and respect at all times.

- Mum wanted to die at home at first, but she felt safe and comfortable in the hospice and at peace.

- Responder to our VOICES survey

Looking at the results we were able to see a need to increase the hours we were able to provide chaplaincy support and this has now been accomplished.

By constantly reviewing the guidelines surrounding Covid, the Hospice was able to remain open to visitors albeit under certain restrictions at times.

St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)

Trustees' annual report

For the year ended 31 March 2022

Hospice at Home

The Hospice at Home service is provided 365 days a year from 08:30 to 20:00. It allows patients to remain in their own homes, where the majority want to be, while still receiving the Hospice's specialist palliative nursing and medical care. The service provided 2,001 (2021: 1,709) hours of specialist palliative and end of life nursing care. 305 (2021: 260) new patients were referred to the service.

Evaluating the performance of Hospice at Home can also be done through the VOICES survey:

- 98% (2021: 98%) of respondents felt the patient was treated with dignity and respect at all times

Part of our important work in the community also involves coordinating the care of patients across, for example, GP surgeries, community nurses, personal care and support from external providers in the home and social services. Last year, 92% (2021: 92%) stated that there was good communication between Hospice at Home and other professionals.

- *The care at home team gave us all the support we needed, to allow his wishes to be fulfilled*
- *Responder to our VOICES survey*

Therapies

Part of offering the full range of care and support to our community means providing therapeutic day services, physiotherapy, and occupational therapy as these play a vital role in patients' well-being. Remaining active for as long as possible can have a huge impact on the physical and emotional wellbeing of patients and families. The therapy team often work at home with patients from an early stage in their diagnosis, allowing them to build a bond of trust with patients and their families.

An important part of managing symptoms such as pain and anxiety is **physiotherapy** which can help the patient to adapt to any changes in their condition. Getting help with symptoms such as breathlessness and fatigue can allow patients to remain as physically able and independent as possible. There were 287 (2021: 758) face-to-face and virtual physiotherapy sessions during the year. This reflected high levels of vacancies in the workforce throughout the year, which significantly affected our ability to deliver one to one physiotherapy.

Living with a progressive illness can be made easier by making adaptations to the environment and **occupational therapy** can support patients to do so. By providing patients and their families with solutions to challenges brought on by their deteriorating condition they can make the most of their time. As well as working with patients in their homes, occupational therapists work with patients on the IPU who are preparing for discharge to ensure their homes are adapted if necessary and providing equipment to help with needs. During the year, there were 762 (2021: 878) occupational therapy face-to-face sessions.

St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)

Trustees' annual report

For the year ended 31 March 2022

The whole team at St. Michael's Basingstoke went above and beyond in caring for my partner and myself, and mine, and his families. Truly exceptional support and care from everyone that works here in all teams. He said he felt safe in there and comfortable and cared for.

Responder to our VOICES survey

Patient and Family Support Team

The Patient and Family Support team encompasses bereavement services, chaplaincy, counselling, complementary therapy and social support. This year work has started on further developing our outpatient support and a new day service for patients will be launched later this year.

The **bereavement service** for family members, including children and carers, is provided by both staff and volunteers. The easing of Covid restrictions and the recruitment of a lead for the team, has enabled an expansion of the service and coffee mornings now run alongside bereavement evenings allowing those grieving to meet others going through a similar experience and build their support networks. 97 people attended support groups during the year

The **counselling service** is offered to all those affected by a life-limiting illness as well as those who are coping with grief. Sessions are 1-to-1 and 281 counselling sessions were delivered over the year.

I received a telephone call on a day that I was coping, I was grateful for the call however, weeks on I needed to talk and have requested a place on one of your bereavement evenings

Responder to our VOICES survey

The availability of a **Chaplain** to provide listening, emotional and spiritual support has proved greatly beneficial to our patients and the service has now been expanded to cover five days a week from three. To support staff with the emotional demands of working in end-of-life care, reflective sessions are now offered in the specially designed Sanctuary. Our chaplaincy care is designed to cater for all faiths and to those who would not see themselves as having a faith. During the year 475 (2021: 265) chaplaincy visits were made.

The **complementary therapy team** work alongside the medical staff offering treatments to help symptom management – treatments are provided on the IPU and in our outpatient facility, the Turner Centre. Treatments offered include massage, aromatherapy, reflexology and Indian head massage. Complementary therapists delivered 409 (2021: 258) treatments during the year.

Other related activities

Education and Training

Education and training is vital to ensuring we can deliver on our purpose, enabling us to know we are offering the very highest standard of treatment and support currently available. In addition, while nurse recruitment is a challenge nationally, that we offer and protect time for further education and training means we provide a valuable opportunity that nurses may not receive elsewhere.

All nurses have one month's protected learning time when they join the organisation. Our Bluestream online training is used by all staff and we offer inhouse education sessions delivered both by staff and outside experts. Just recently we were able to train clinical staff and others on supporting children pre and post bereavement.

We were able to invest in the education of our nursing staff by the creation of a Clinical Nurse Specialist Development post during the year and the opportunity was taken up by one of our Hospice at Home nurses.

The Patient and Family Services Lead and the Therapy Lead attended the Hospice UK Conference and were able to bring back key learnings for the organisation.

A Hospice Leadership & Management Programme was launched with 1-to-1 sessions offered by an external provider to all staff in middle management. The 1-to-1 phase of the programme has now been completed and group sessions will be rolled out shortly.

Student placements are regularly offered to student nurses from the Universities of Southampton and Surrey. Student evaluation of their placements is very positive.

Through our Return to Nursing programme, we offer a flexible programme for those who have been out of nursing for some time. This continues to be a valuable source of new recruits.

Environmental enhancements

The Hospice completed the roll out of Electronic Patient Records (EPR), an exciting development which provides accurate, up-to-date, and complete information about patients at the point of care. The system also enables safer more reliable prescribing with medics able to prescribe remotely, increasing the efficiency and delivering a better patient experience.

Investment in IT infrastructure saw new hardware installed to safeguard operations replacing legacy equipment. A phased replacement of aging desktop computers commenced. Laptops were distributed to a number of teams to allow flexibility and the ability to consult with colleagues directly from patient homes, and to increase the availability of home working. The move to a 'paper-light' culture as per the organisational strategy has seen a significant reduction in printing, this combined with a renegotiated print contract has made strong organisational

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

savings. An IT strategy has been approved by the Board that will enable increased efficiency and push the entire organisation forward over the coming three years.

Hospice security was upgraded with a new CCTV system installed covering all areas of the site. This replaced an ageing system that provided poor coverage and was unreliable. An electronic sign in/sign out system was launched; the system provides the tools to meet the latest in safety regulations and GDPR requirements.

A significant property upgrade is scheduled for the inpatient unit and several other areas of the main site, along with improvements to retail stores. The Hospice has invested in electric vehicles for its clinical and retail teams. A strategy to outline the process of becoming 'net zero' will be completed in the coming year identifying suitable renewable technologies and changes required to increase efficiencies.

Staff engagement and support

Monthly Hospice Forum meetings are held, chaired by the CEO, with all staff welcome and encouraged to attend. Due to restrictions on the number of people that could sit in a room together, these continued to be by Zoom. All the information, including the presentations, are uploaded to the staff intranet for access and reference.

We were able this year to hold our annual staff BBQ once again to thank the staff for their efforts during the year. Long-service awards were also introduced for staff, recognising those staff who have been at the Hospice for 5, 10, 15, and 20 years.

A staff recognition scheme was launched in January, the PRIDE awards, to recognise staff who have exemplified the core values of People, Respect, Integrity, Diversity and Excellence. Across the first 3 months, 32 staff were nominated for awards and the success of the scheme means it has now been rolled out for volunteers.

To support staff health and well-being, three members of staff attended a Mental Health First Aiders course. Staff were recognised during Mental Health Awareness Week with treats and were encouraged to contribute to a tree of positivity which was displayed in the coffee room. The tree and the treats were well received.

Patient and Family Feedback

Gathering feedback from those who use our services is vital for continued learning, growth and the promotion of a culture of transparency.

Feedback results are monitored on an ongoing basis by our Family and Support Team Lead so that any important issues are immediately passed for follow up to senior members of the clinical team and the Senior Leadership Team where necessary. All the results are collated annually and published on our website.

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

We have four different ways in which we collect feedback;

1. Voices Survey which is mailed to all families following a bereavement from which the results listed above were drawn
2. Your Experience Matters cards which are available at all times on the IPU and can be completed and returned anonymously. Of the 57 cards completed this year, 98% (2021: 96%) were likely to recommend our services
3. Friends and Family Test, for which we had 103 responses and a 99% very good/good rating
4. Hospice User Group, a new initiative which allows for face-to-face meetings and feedback on everything from clinical services to communication

Income generation

The Hospice relies on a wide range of income generation activities to fund our services. North Hampshire CCG continues to provide funding to support our IPU and community services with core funding representing 17% of running costs in the year current.

The development of future services and the implementation of our strategy rely on our ability to generate significant additional funding. Whilst all our services relieve pressure on our NHS colleagues by preventing hospital admissions, there has not been a significant increase in the substantive yearly grant from the NHS for a number of years. That said, we have received additional yearly one-off payments for certain initiatives. This of course makes the sustainability of services more challenging. Therefore, we rely on our fundraising activities to provide the majority of income for current and future services.

Fundraising

Overall fundraising, including legacy income, made a contribution of £1,634,000 which is a fantastic result (2021: £1,179,000); excluding legacies the result was £670,000 (2021: £650,000).

This has been a particularly good year for legacies with income of £964,000 (2021: £529,000) contributing to the in-year surplus following many years of focus by the fundraising team. This has allowed the trustees to invest in services in 2022-23 and beyond. Legacies by their nature are not predictable and so we cannot be confident that this level of legacy income will be sustained.

Net profit from the lottery and scratch cards fell slightly to £164,000 (2021: £167,000), lottery is an area highlighted for investment in 2022-23 to ensure entries in draws do not continue to fall.

Hospice-led events resumed in June with the relaxation of restrictions and our first event, the Farleigh Wallop Woodland Walk raised a record-breaking amount. Unfortunately the change in Covid guidance came too late for us to be able to hold our two largest events but the team were

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

able to introduce two new events for later in 2021 which were both successful and one, the Reindeer Run, will now become an annual event.

We are also supported by The Friends of St. Michael's Hospice who have been fundraising for us since inception of the Hospice, contributing £100,000 in 2021/22.

Retail

Despite some local restrictions in place due to COVID, our retail shops remained open throughout the year with a slow start back in April 2021 with not all stores open all days. Total retail income was close to pre-pandemic levels at £1,737,000 (2021: £594,000).

As a result of investment during the year, income from online sales achieved record-breaking levels with £101,667 delivered through eBay and Depop. It is vital that our retail operation continues to react to the changes in customer behaviour whilst maintaining a presence on the High Street in our role as community hubs.

Retail expenditure for the year was £1,192,000 (2021: £1,290,000) as savings were made due to redundancies in the previous year and vacancies resulting in a surplus of £545,000 (2021: deficit of £375,000).

Code of fundraising practice

We are registered with the Fundraising Regulator and comply with all the relevant standards set out in the Code of Fundraising Practice. This report covers the requirements charities must follow as set out in the Charities Act 2016.

The charity mainly generates funds from its existing supporter database and does not utilise third-party professional fundraisers. All door-to-door fundraising was cancelled due to Covid but at the end of the year we were able to resume street collections again, hosted within supermarkets. Investment was made in contactless devices to counter the public carrying cash less and less.

The fundraising team also receive weekly reports from the Fundraising Preference Service ensuring that they can swiftly act on anyone who has requested not to hear from us. There have been no requests through this service since 2017. No complaints were received through other channels either.

Vice Patrons Initiative

In recognition of the significant achievements by individual supporters, we honour those individuals as our Vice Patrons. Forty-nine individuals and two groups were recognised in the year (2020: 53). The post is for one year and is awarded annually.

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

Voluntary Services

Part of the success of the Hospice is down to volunteers donating their time and their skills, increasing the pool of knowledge available while at the same time providing significant cost savings. With the return of our In-Patient Unit (IPU) volunteers in spring 2022, the Hospice was delighted that volunteers had now returned to all areas of the business. Currently there are 583 volunteers.

During the year volunteers contributed 49,822 hours (2021: 14,958 hours) of their time. The notional value of this equates to £443,914 (2021: £196,700). These increases reflect the impact of stores being closed the previous year, our events cancelled, and volunteers unable to provide their support at the Hospice. The notional value is determined by costing each role as if it were undertaken by a paid member of staff.

Financial review, Reserves Policy and Going Concern

2021–22 was another year of financial uncertainty, which ultimately saw an unexpected surplus of £854,000 due to significant one-off income items, notably Covid-related grants (£444k), a considerable uplift in legacy income (£447k), and Covid-induced cost savings (£345k). The surplus achieved is all being set aside in designated funds to help manage the risks in a 2022–23 anticipated deficit of over £600,000 along with investment priorities to extend the reach of our services.

	"Normal" Activities 31-Mar-22 £'000	Exceptional Income/ Savings 31-Mar-22 £'000	Result 31-Mar-22 £'000
<u>Income</u>	-	-	
Donations & Legacies	1,450	447	1,897
Charitable activities	1,052	444	1,496
Retail	1,737	-	1,737
Lottery and Events	410	-	410
Investments	106	-	106
	4,755	891	5,646
<u>Expenditure</u>	(5,432)	345	(5,087)
Net income/ (expenditure) before gains	(677)	1,236	559
Gains on investments	295	-	295
Net income/ (expenditure)	(382)	1,236	854

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

Investments

The Hospice has two investment funds with CCLA Fund Managers Ltd. The Investment Committee meets with the fund manager, usually annually, to review the investment performance and their continued suitability. During the year £150,000 was transferred from the deposit fund held with CCLA and invested in the Ethical Fund. The total returns for the year are:

	Return	Benchmark
COIF Charities Investment Fund	11.62%	11.72%
COIF Ethical Investment Fund	11.56%	11.72%

Reserves Policy

General Reserves

The charity aims to hold sufficient general reserves to protect against a sudden short-term decline in income so that a full range of essential services can continue to be provided to our patients and their families. If the level of income is not restored, then the Trustees have time to plan and implement change in a controlled way. The Trustees have reviewed the risks associated with income and expenditure and believe that cover for six months' expenditure, net of guaranteed income, should be sufficient to allow this to happen.

We review this policy annually considering the current challenges the Hospice is facing and the ongoing investment priorities which may require designated funds. Further consideration is also given to the impact of a deficit budget and existing capital commitments. The budget for the coming year, considering all these factors is then used to work out the level of general reserves required to fund Hospice services for six months, and any designated reserves necessary to support our strategic priorities. The target level of reserves is calculated as £2,881,000 at 31 March 2022. Our general reserves at the year-end excluding designated reserves and fair value reserve are £2,893,000 which is in line with the target.

The Finance & General Purposes Committee meets quarterly to review the financial performance of the charity, future forecasts and review our performance against our reserves target.

Designated Reserves

Designated reserves are funds set aside by trustees to meet essential future spending, including operational and capital projects. Annually, based on the priorities included within the budget for the coming year, the trustees agree funds which should be designated for the coming year. New funds have been created as follows:

- £170k Capital projects fund – This has been extended to include all budgeted capital projects for 2022–23.
- £249k Fixed Asset Fund – The Hospice recognises that money tied up in fixed assets is not readily available to support business operations and should not be recognised within

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

general reserves, to this end we have created a Fixed Asset Designated Fund which represents the value of unrestricted funds tied up in assets.

- £300k Legacy Contingency Fund – the surplus achieved during 2021–22 on legacies will be ring-fenced to cover future volatile legacy receipts.
- £191k Service Development Fund – this represents new posts within the organisation for 2022–23 funded from reserves: 3 nursing positions for 24hr Hospice at Home and a Day Services Coordinator.

Fair Value Reserve

This fund represents the excess of fair value over the historic cost of the investments. The fair value reserves forms part of the Charity's general reserves however the trustees may choose to discount this due to uncertainty over market conditions and the likelihood that these gains might not be fully realised upon sale.

Restricted Reserves

Restricted reserves represent donations or grants received for a specific purpose and do not form part of General Reserves. There are three main types of restricted funds:

Property

Restricted donations were received for various large building projects which were all completed by April 2014. Restricted reserves are held to cover the depreciation costs of these buildings.

Equipment and support programmes

Where funding has been received for specific use and has not been expended in the year.

Funds received and spent in the same year

Most funds received in the year are expended during the year on the day-to-day operation of the Hospice, particularly staff costs which are over 70% of the total cost of operating the Hospice. New funds this year include Linbury Trust, Single Point of Contact (SPOC) funding from the Clinical Commissioning Group and Hospice UK, and Hospice UK Omicron response funding linked directly to activity on IPU and Hospice at Home and spent on staffing in the period.

Investment Policy

St Michael's Hospice (SMH) has total net assets of £6.1m of which £0.8m is fixed assets including property, £3.9m is investments and £1.4m is net current assets. Of the net current assets £0.2m is cash held by the investment managers leaving £1.2m of operational net current assets. Investments are used to provide income for the Charity and capital growth to secure the future of the Hospice.

The Hospice's cash objective is to hold in the operational accounts sufficient funds at the end of each month to cover the following month's salary costs of circa £270,000. Quarterly cashflow

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

forecasts are produced for the Finance and General Purposes Committee (FGPC), and twice a year (or more often if required) the Investment Committee will meet and review the investment managers' performance, the cashflow forecasts and whether additional funds should be invested or withdrawn from the portfolio in order to meet the needs of the Hospice. Where a decision is made to invest surplus funds the following guidelines should apply:

- Invest through diversified funds
- Investment for the long term (> 5 years)
- Return objective of CPI+4%
- Income yield of c3%

Going Concern

The trustees are satisfied that the Hospice is a Going Concern. The Hospice is holding sufficient cash at the year end to cover the next two years operating deficits. The Hospice has healthy reserves in line with its reserves policy.

Principal risks and uncertainties

The Hospice has monitoring systems in place for financial, clinical, and organisational risk. The CEO and Trustees carried out a complete review of the Risk Management Register during the year. High level risks, defined as those which have a risk of 20+ after mitigating factors are reported to the Board, by the CEO, on a quarterly basis and the Risk Management Register is reviewed by the Board twice a year.

The main risks at the 31 March 2022 were:

1. Nurse Recruitment and Retention;

The national situation regarding nursing vacancies in the last year has worsened with more than 40,000 positions now unfilled nationwide. Without the ability to recruit from overseas, the Hospice has had to continue to take a pragmatic approach to successful recruitment.

Two Open Days were held to raise awareness about working in a hospice environment and both were successful. A scheme has now started for secondments from HHFT to join our staff for one year. This scheme will improve palliative care skills in the wider healthcare network but also this year, both our secondments were successful in applying for permanent jobs at the Hospice. We are now interviewing for this year's candidates.

The media created for staff recruitment marketing a year ago are now being updated and refreshed.

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

2. Insufficient income

As evidenced in recent years, insufficient charitable income will always be a risk to our service aims. Our income streams must therefore be diverse, and continuously evolve to mitigate this and avoid dependence on one, or few, funding models.

As a measure to diversify and evolve, we have recruited a highly experienced Director of Income Generation and investment is now being made to improve the systems and practices of fundraising and retail teams in line with the new income generation strategy.

3. Cost of living

As well as the cost-of-living crisis impacting on our ability to generate income, it will impact on our staff and increase our running costs. The Hospice will do all it can to support staff facing personal hardship both because it is the right thing to do and because many of our staff, particularly those on lower wages, work here because it is a vocation for them when they could use their skills to earn higher wages elsewhere. If rising costs mean they are forced to leave for better paid jobs, there will be an impact on our services.

We are looking at ways to support our staff during the crisis and also to keep our costs as low as possible. We have invested in electric vehicles for our retail vans which has reduced our fuel costs. We are also investigating solar energy for the Hospice.

Plans for the future

The Hospice has continued to work on the five-year strategy launched in March 2020 and progress has been made in many areas, particularly through developing sustainable partnerships with others in our healthcare region, the investment in our clinical IT systems, and the growth of our bereavement support services.

Looking to the coming year, we are focussing on meeting strategic objectives in the following ways.

- **Day Services**

The aim of St. Michael's Hospice Day Services is to provide a therapeutic environment, enabling the patient to have an increased sense of confidence and empowerment to support them in living with their illness, as well as providing support to those caring for them.

- **Launch a Hospice Café**

Our new café, the Hospice Hive, will be open to outpatients, families and friends to provide a community hub providing access to information, advice and support as necessary.

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

- **Increase the provision of Hospice at Home**

To extend the provision of services at both ends of the day, to meet patient needs, for those remaining in their own home by investing in additional nursing posts and developing existing staff.

- **Refurbishment of Hospice In-Patient Unit**

To bring the IPU up to current infection control guidelines means replacing the carpeting in the corridor. While this piece of work is being done, the opportunity is being taken to improve the lighting and redecorate. As well as improving the IPU from a safety perspective, this will also make the environment more welcoming and pleasant for patients, their families and staff.

- **Improve flexible working conditions**

To meet the requirements of a modern workforce through provision of mobile technologies and paper-light systems.

Structure, governance and management

The company was established on 5 March 1991 under a memorandum of association which set down the objects and powers of the charitable company and is governed under its articles of association and was registered as a charity on 10 May 1991.

Governance

St Michael's Hospice is governed by the Board with each member in accordance with the Charities Act serving as a trustee. The Board is responsible for approving the strategic plan and the annual budget and ensuring that sufficient resources are provided to allow the Hospice to fulfil the purpose for which it was established.

All trustees give their time voluntarily and receive no benefits from the charity. The trustee board meets quarterly and there are three board sub-committees; Finance & General Purpose (including remuneration and investment policy), Income Generation, and Clinical Governance.

Appointments to the Board are ratified at the subsequent annual general meeting.

The current and future trustee base is seen as representing a good cross-section of accounting, medical, business and corporate governance, and local community input.

Management

Operational activities are delegated to employed staff via the Chief Executive who is responsible to the Board for overall management of the business and the provision of care and services which in the role of Responsible Individual meet the requirements of the Health and Social Care Act 2008 and comply with guidance provided by the Care Quality Commission.

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

The **Senior Leadership Team** at St. Michael's Hospice ensures strategic direction is maintained and is led by the Chief Executive. Members of the team are:

- Director of Income Generation
- Director of Nursing
- Director of Transformation
- Finance Director
- Medical Director

The **Clinical Management Team** (CMT) are responsible for dealing with the day-to-day clinical operations of St. Michael's Hospice. CMT includes the Medical Director, Director of Nursing, Hospice at Home Lead, Patient and Family Support Lead, Therapy Lead, IPU Lead and Senior Speciality Doctor.

The **Governance Team** oversee the development and implementation of clinical governance with the Hospital and ensure legal and operational responsibilities are fully discharged. Roles represented on the team are:

- Caldicott Guardian
- Serious Information Risk Owner (SIRO)
- Data Protection Officer (DPO)
- Health and Safety Officer
- Registered Manager
- Controlled Drugs Accountable Officer (CDAO)
- Safeguarding Lead

In addition, there are wider **Management Team** monthly meetings which include representatives from clinical, human resources, finance, fundraising, marcomms, voluntary services and retail.

The Chief Executive meets regularly with the Chair and other trustees to discuss issues and progress against objectives.

Appointment of trustees

New trustees are identified according to skills required and vacancies arising. Three new trustees were recruited during the year following three retirements. Trustees were recruited with experience in finance, human resources and marketing and at this time we are looking to add further clinical experience to the Board.

New trustees are proposed by either internal or external recommendation or recruitment and are interviewed by the Chair, Chief Executive, and another trustee. All trustees are then invited to comment confidentially on suitability prior to a vote of the board of trustees being taken.

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

Trustee induction and training

Trustees receive a comprehensive briefing on the role from the Chairman and Chief Executive and have access to an induction pack published by Hospice UK along with documentation on the Hospice's policies and procedures. Trustees are expected to attend the same Hospice induction programme completed by all staff and volunteers.

Related parties and relationships with other organisations

St. Michael's Hospice works closely with Hampshire Hospitals NHS Foundation Trust and North Hampshire Clinical Commissioning Group. During the year we again were able to accommodate the Lyford Unit from HHFT into our Turner Centre, to free up space for additional COVID beds in the hospital.

St. Michael's Hospice worked in partnership with Odiham Cottage Hospital (OCH) to provide enhanced Hospice at Home care within that area. OCH provided a total of £30,000 (2021: £79,000) of income to the Hospice during the year. In the past, St. Michael's also provided befriending services through OCH but this service is now managed by that Trust.

As a member of Hospice UK, the Hospice works with regional hospice Chief Executives, sharing data and experiences. In addition, the Chief Executive is co-chair of the North and Mid Hants steering group which has been set up to look at the provision of palliative care services across the region.

The Director of Nursing is also an active member of the Executive Clinical Leads in Hospice and Palliative Care which brings together nursing leadership regionally and nationally. They are also now building relationships with Southern health and Primary care colleagues as we seek to develop and extend the Hospice at Home services.

The Medical Director is a member Hampshire and IOW Palliative and End of Life Board that informs decision making for the Integrated Care System.

Nursing and AHP development, education and training remains a priority. With new links with Winchester University who are increasing the portfolio of academic education opportunities. We are also developing close links with the Consultant Nurse from Winchester Hospice, sharing training and development opportunities across north and mid Hampshire.

Remuneration policy for key management personnel

The Finance Committee meets to establish the Chief Executive's, and other executive's remuneration packages on an annual basis. All recommendations made by the committee must be approved by the Board.

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

As part of the remuneration process, the Finance & General Purposes Committee fully considers recommendations of the Association of Chief Executives of Voluntary Organisations (ACEVO) and completes a benchmarking process across the Hospice sector.

Overall salary funding is part of the annual budget process, and within that approved budget the Chief Executive agrees with the Finance & General Purposes Committee the individual awards for key personnel.

Statement of responsibilities of the trustees

The trustees (who are also directors of St. Michael's Hospice for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

**St. Michael's Hospice (North Hampshire) and Subsidiary companies
(Company Limited by Guarantee)**

Trustees' annual report

For the year ended 31 March 2022

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

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees for 2022 was 35 (2021: 35). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 8 August 2022 and signed on their behalf by

A Chancellor
Chairman

Independent auditor's report

To the members of

St Michael's Hospice (North Hampshire)

Opinion

We have audited the financial statements of St Michael's Hospice (North Hampshire) (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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

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

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

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

Independent auditor's report

To the members of

St Michael's Hospice (North Hampshire)

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual 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' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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 directors 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' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of

Independent auditor's report

To the members of

St Michael's Hospice (North Hampshire)

company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of 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.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, internal audit and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

Independent auditor's report

To the members of

St Michael's Hospice (North Hampshire)

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the 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.

Fleur Holden (Senior statutory auditor)

19 August 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

St. Michael's Hospice (North Hampshire)

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Donations and legacies	2	1,840,185	57,015	1,897,200	1,319,520	289,590	1,609,110
Charitable activities							
Specialist palliative care	3	1,088,904	407,493	1,496,397	1,660,447	975,685	2,636,132
Other trading activities							
Retail	4	1,736,873	-	1,736,873	914,106	-	914,106
Lottery and Events	4	410,248	-	410,248	354,016	-	354,016
Investments	5	105,536	-	105,536	94,093	-	94,093
Total income		5,181,746	464,508	5,646,254	4,342,182	1,265,275	5,607,457
Expenditure on:							
Raising funds	6						
Retail		1,354,885	-	1,354,885	1,290,216	-	1,290,216
Cost of raising funds		567,864	-	567,864	614,198	-	614,198
Charitable activities	6						
Specialist palliative care		2,649,255	515,724	3,164,979	1,760,445	1,352,251	3,112,696
Total expenditure		4,572,004	515,724	5,087,728	3,664,859	1,352,251	5,017,110
Net income/(expenditure) before net gains/(losses) on investments		609,742	(51,216)	558,526	677,323	(86,976)	590,347
Net gains/(losses) on investments		295,484	-	295,484	542,049	-	542,049
Net income/(expenditure) for the year and net movement in funds	7	905,226	(51,216)	854,010	1,219,372	(86,976)	1,132,396
Reconciliation of funds:							
Total funds brought forward		4,665,778	607,955	5,273,733	3,446,406	694,931	4,141,337
Total funds carried forward		5,571,004	556,739	6,127,743	4,665,778	607,955	5,273,733

All the above results, other than those stated under discontinued operations, continued throughout the year. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21 to the financial statements.

St. Michael's Hospice (North Hampshire)

Balance sheet

Company no. 02588395

As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets:			
Tangible assets	12	792,152	862,922
Investments	13	3,904,592	3,459,108
		<u>4,696,744</u>	<u>4,322,030</u>
Current assets:			
Debtors	15	869,800	727,630
Cash at bank and in hand		1,184,719	746,872
		<u>2,054,519</u>	<u>1,474,502</u>
Liabilities:			
Creditors: amounts falling due within one year	16	(623,520)	(522,799)
Net current assets		<u>1,430,999</u>	<u>951,703</u>
Total net assets	19	<u>6,127,743</u>	<u>5,273,733</u>
Funds:	20		
Restricted income funds		556,739	607,955
Unrestricted income funds:			
Fair value reserve		1,679,659	1,384,177
Designated funds		998,746	165,000
General funds		2,892,599	3,116,601
		<u>5,571,004</u>	<u>4,665,778</u>
Total funds		<u>6,127,743</u>	<u>5,273,733</u>

Approved by the trustees on 8 August 2022 and signed on their behalf by

A Chancellor
Chairman

St. Michael's Hospice (North Hampshire)

Statement of cash flows

For the year ended 31 March 2022

Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net income for the reporting period (as per the statement of financial activities)	854,010	1,132,396
Depreciation charges	88,566	89,735
(Gains) on investments	(295,484)	(542,049)
Dividends and interest from investments	(105,197)	(94,093)
(Increase) in debtors	(142,169)	(281,955)
Increase/(Decrease) in creditors	100,721	(52,893)
Net cash provided by operating activities	500,447	251,141

	Note	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities		500,447		251,141	
Cash flows from investing activities:					
Dividends and interest from investments		105,197		94,093	
Purchase of fixed assets		(17,797)		-	
Purchase of investments		(150,000)		(300,000)	
Net cash provided by investing activities		(62,600)		(205,907)	
Change in cash and cash equivalents in the year		437,847		45,234	
Cash and cash equivalents at the beginning of the year		746,872		701,638	
Cash and cash equivalents at the end of the year		1,184,719		746,872	

1 Accounting policies

a) Statutory information

St. Michael's Hospice (North Hampshire) is a charitable company limited by guarantee and is incorporated in England.

The registered office address is Basil de Ferranti House, Aldermaston Road, Basingstoke, Hampshire, RG24 9NB.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

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

Income from insurance claims is recognised when the income criteria is met and the value is considered measurable.

1 Accounting policies (continued)

e) Income (continued)

For legacies, entitlement is taken as the earlier of the estate accounts have been drafted and notification has been made by the executor(s) 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, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Interest and dividends receivable

Interest and dividends on invested funds and funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon receipt of the funds.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are funds allocated by the trustees for specific projects, risks or costs.

h) Expenditure and irrecoverable VAT

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

- Retail is the cost incurred in operating the retail shops.
- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities is the costs of delivering the core palliative care services undertaken to further the purposes of the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to the cost of raising funds. Costs which cannot be directly attributed are allocated based on the head count in each department, which works out as the following percentages for both this and the previous year:

- | | |
|------------------------------|-----|
| ● Retail | 26% |
| ● Cost of raising funds | 6% |
| ● Specialist palliative care | 68% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. They are allocated on the following basis which is representative of the estimated time spent on each area of the business:

- | | |
|------------------------------|-----|
| ● Retail | 25% |
| ● Cost of raising funds | 25% |
| ● Specialist palliative care | 50% |

1 Accounting policies (continued)

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Tangible fixed assets are capitalised where the purchase price exceeds £10,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided on all tangible fixed assets other than land, at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives are as follows:

- Freehold Buildings 20 years
- Fixtures, fittings and equipment Between 4 & 5 years

l) Investments

Listed investments

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. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet.

Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Stocks

Stocks of goods for resale in the shops are not included in the accounts. It is deemed that the effort required to value the high volume and low individual value of the stock outweighs any benefit of including stock in the financial statements.

n) Debtors

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

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

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

q) Pensions

The charity contributes to the NHS Superannuation pension scheme for certain qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The pension charge represents contributions payable by the charity to the fund. It is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities. It is therefore accounted for as though it were a defined contribution scheme.

The charity also provides a defined contribution pension scheme for employees other than those within the NHS superannuation pension scheme and contributes up to 6% of basic salary. Contributions are recognised when due.

St. Michael's Hospice (North Hampshire)

Notes to the financial statements

For the year ended 31 March 2022

2 Income from donations and legacies

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Donations	876,030	57,015	933,045	790,386	289,590	1,079,976
Legacies	964,155	-	964,155	529,134	-	529,134
	<u>1,840,185</u>	<u>57,015</u>	<u>1,897,200</u>	<u>1,319,520</u>	<u>289,590</u>	<u>1,609,110</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from North Hampshire Clinical Commissioning Group	880,689	-	880,689	880,023	-	880,023
Income from Odiham Cottage Hospital	30,000	-	30,000	79,377	-	79,377
Covid 19 related funding from HM Government, NHSE and Local Authorities	36,666	407,493	444,159	660,820	975,685	1,636,505
Other income	141,549	-	141,549	40,227	-	40,227
Total income from charitable activities	<u>1,088,904</u>	<u>407,493</u>	<u>1,496,397</u>	<u>1,660,447</u>	<u>975,685</u>	<u>2,636,132</u>

Covid Funding was received from the Clinical Commissioning Group and Hospice UK in response to the Omicron COVID variant, and Local Authority Grants for retail premises.

Hospice UK administered Omicron response funding to allow the hospice to make available bed capacity and community support from mid-December 2021 to March 2022.

4 Income from other trading activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Retail	1,736,873	-	1,736,873	593,280	-	593,280
Retail Business Interruption Insurance Claim	-	-	-	320,826	-	320,826
Income	276,105	-	276,105	268,511	-	268,511
Lottery	134,143	-	134,143	85,505	-	85,505
Events						
	<u>2,147,121</u>	<u>-</u>	<u>2,147,121</u>	<u>1,268,122</u>	<u>-</u>	<u>1,268,122</u>

The retail operations in the previous year, excluding online sales, suffered from three lockdowns during the year; the first from 22 March 2020 with a phased re-opening between 26 June and 28 August 2020, the second from 2 November 2020 until 2 December 2020, the final lockdown was from 25 December 2020 until 12 April 2021. The shops have been open throughout 2021-22, however we haven't been at full capacity at all times due to being short-staffed due to covid absence and lower footfall due to customer confidence due to covid.

5 Income from investments

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
COIF Charities Investment Funds	105,197	-	105,197	92,851	-	92,851
Bank interest	339	-	339	1,242	-	1,242
	<u>105,536</u>	<u>-</u>	<u>105,536</u>	<u>94,093</u>	<u>-</u>	<u>94,093</u>

St. Michael's Hospice (North Hampshire)

Notes to the financial statements

For the year ended 31 March 2022

6a Analysis of expenditure (current year)

	Raising funds		Charitable activities	Support and governance costs £	2022 Total £	2021 Total £
	Retail £	Cost of raising funds £	Specialist palliative care £			
Staff costs (Note 8)	683,687	285,314	2,304,578	360,499	3,634,078	3,701,673
Direct care costs	–	–	129,524	–	129,524	113,022
Direct cost of generating funds	118,400	181,075	–	–	299,475	203,408
Premises	334,220	24,256	64,501	13,329	436,306	378,582
Legal and professional services	4,432	6,685	75,522	17,601	104,240	129,820
Equipment, supplies and consumables	49,410	32,748	144,889	97,507	324,554	347,561
Depreciation & dilapidations	22,413	–	74,072	86	96,571	97,743
Other costs	5,803	2,896	26,375	27,906	62,980	45,301
	1,218,365	532,974	2,819,461	516,928	5,087,728	5,017,110
Support costs	129,204	27,574	330,887	(487,665)	–	–
Governance costs	7,316	7,316	14,631	(29,263)	–	–
Total expenditure 2022	1,354,885	567,864	3,164,979	–	5,087,728	
Total expenditure 2021	1,290,216	614,198	3,112,696	–		5,017,110

St. Michael's Hospice (North Hampshire)

Notes to the financial statements

For the year ended 31 March 2022

6b Analysis of expenditure (prior year)

	Raising funds		Charitable activities	Support and governance costs £	2021 Total £
	Retail £	Cost of raising funds £	Specialist palliative care £		
Staff costs (Note 8)	701,737	357,144	2,289,894	352,898	3,701,673
Direct care costs	-	-	113,022	-	113,022
Direct cost of generating funds	70,666	132,742	-	-	203,408
Premises	281,453	27,317	63,528	6,284	378,582
Legal and professional services	2,533	5,123	87,585	34,579	129,820
Equipment, supplies and consumables	59,651	25,095	180,861	81,954	347,561
Depreciation & dilapidations	22,413	-	71,499	3,831	97,743
Other costs	14,341	-	8,196	22,764	45,301
	1,152,794	547,421	2,814,585	502,310	5,017,110
Support costs	128,235	57,590	279,737	(465,562)	-
Governance costs	9,187	9,187	18,374	(36,748)	-
Total expenditure 2021	1,290,216	614,198	3,112,696	-	5,017,110

St. Michael's Hospice (North Hampshire)

Notes to the financial statements

For the year ended 31 March 2022

7 Net income/(expenditure) for the year

This is stated after charging:

	2022 £	2021 £
Depreciation	88,567	89,735
Operating lease rentals:		
Property	281,667	251,555
Other	18,047	15,618
Auditor's remuneration (excluding VAT):		
Audit	13,500	13,000
Additional costs for 2020 audit	-	4,500
Other services – Corporation tax services	2,940	950
	<u>88,567</u>	<u>89,735</u>

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

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	3,131,896	3,050,865
Social security costs	214,975	227,002
Employer's contribution to pension schemes	260,420	278,466
Other forms of employee benefits	26,787	32,013
Termination costs – paid	-	113,327
	<u>3,634,078</u>	<u>3,701,673</u>

The following number of employees received employee benefits (excluding employer pension costs and employers national insurance), of over £60,000 during the year as follows:

	2022 No.	2021 No.
£60,000 – £69,999	-	-
£70,000 – £79,999	1	1
£80,000 – £89,999	2	1
£90,000 – £99,999	-	1
	<u>-</u>	<u>1</u>

The total employee benefits including pension contributions and national insurance of the key management personnel were £412,262 (2021: £488,326). The Medical Director is paid via a Service Level Agreement (SLA) with Hampshire Hospital Foundation Trust (HHFT). The HHFT SLA costs are included in the above figures and disclosures.

During the year no employees received termination payments (2021: 11).

The charity trustees were not paid or receive any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil). During the year, no expenses were reimbursed to trustees (2021: £nil).

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022	2021
	No.	No.
Raising funds	38.1	42.5
Staff in subsidiary company	-	27.4
Specialist palliative care	76.1	70.0
Support	11.5	10.5
Governance	0.3	0.2
	126.0	150.6

10 Related party transactions

During the year donations of £16,524 (2021: £11,216) were received from trustees, of which £1,383 was from a company for which a trustee is a director. These were general unrestricted donations.

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12 Tangible fixed assets

	Freehold land £	Freehold buildings £	Fixtures, fittings and equipment £	Total £
Cost				
At the start of the year	182,049	2,973,169	698,930	3,854,148
Additions in year	-	-	17,797	17,797
At the end of the year	182,049	2,973,169	716,727	3,871,945
Depreciation				
At the start of the year	-	2,317,858	673,368	2,991,226
Charge for the year	-	73,369	15,198	88,567
At the end of the year	-	2,391,227	688,566	3,079,793
Net book value				
At the end of the year	182,049	581,942	28,161	792,152
At the start of the year	182,049	655,311	25,562	862,922

The freehold land shown above at cost of £182,049 is not depreciated.

All of the assets shown above are used for charitable purposes.

St. Michael's Hospice (North Hampshire)

Notes to the financial statements

For the year ended 31 March 2022

13 Investments

	2022 £	2021 £
Fair value at the start of the year	3,459,108	2,617,060
Additions at cost	150,000	300,000
Write off of investment in subsidiary	–	(1)
Net (loss)/gain on change in fair value	295,484	542,049
Fair value at the end of the year	3,904,592	3,459,108
Historic cost at the end of the year	2,224,930	2,074,930
Investments comprise:		
	The charity	
	2022	2021
	£	£
UK Common investment funds	3,904,592	3,459,108
	3,904,592	3,459,108

14 Subsidiary undertaking

The charitable company owned the whole of the issued ordinary share capital of St. Michael's Home Care Limited, a company registered in England (09218951). The subsidiary entered administration on 7 January 2021. All activities up to this date have been consolidated on a line by line basis in the statement of financial activities. For the year ended 31 March 2021 the accounts were consolidated, this year was have prepared charity accounts only. A summary of the results of the subsidiary is shown below:

St. Michael's Home Care Limited	2022 £	2021 £
Turnover	–	419,929
Cost of sales	–	(318,842)
Gross profit	–	101,087
Administrative expenses	–	(128,309)
Management charges payable to parent charity	–	–
(Loss)/profit for the financial year	–	(27,222)
The aggregate of the assets, liabilities and funds was:		
Assets	–	–
Liabilities	–	–
Funds	–	–

During the current year the Hospice received a final dividend of £29,461.77 as a non-preferential creditor of Home Care Limited, this is included in unrestricted other income.

15 Debtors

	2022 £	2021 £
Trade debtors	19,345	25,987
Other taxation	72,681	45,550
Other debtors	662,341	523,567
Prepayments	115,433	132,526
	869,800	727,630

St. Michael's Hospice (North Hampshire)

Notes to the financial statements

For the year ended 31 March 2022

16 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	97,818	91,265
Accruals	292,257	298,889
Deferred income (note 17)	233,445	132,645
	<u>623,520</u>	<u>522,799</u>

17 Deferred income

Deferred income comprises income received in respect of events being held after 31 March 2022 and lottery income received in advance of the draw.

	2022 £	2021 £
Balance at the beginning of the year	132,645	127,800
Amount released to income in the year	(132,645)	(32,150)
Amount deferred in the year	233,445	36,995
Balance at the end of the year	<u>233,445</u>	<u>132,645</u>

18 Pension schemes

The charity operates a defined contribution pension scheme for certain qualifying employees and contributes up to 6% of basic salary matching employee contributions. The total pension contributions payable in the year were £157,962 (2021: £172,442). There were £12,793 outstanding contributions at the year end, (2021: £13,648).

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

The total pension contributions payable in the year were £102,458 (2021: £116,282). There were no outstanding contributions at the year end or in 2021.

St. Michael's Hospice (North Hampshire)

Notes to the financial statements

For the year ended 31 March 2022

19a Analysis of net assets between funds (current year)

	General unrestricted £	Fair value reserve £	Restricted funds £	Total funds £
Tangible fixed assets	248,820	-	543,332	792,152
Investments	2,224,933	1,679,659	-	3,904,592
Net current assets	1,417,592	-	13,407	1,430,999
Net assets at the end of the year	3,891,345	1,679,659	556,739	6,127,743

19b Analysis of net assets between funds (prior year)

	General unrestricted £	Fair value reserve £	Restricted funds £	Total funds £
Tangible fixed assets	261,756	-	601,166	862,922
Investments	2,074,931	1,384,177	-	3,459,108
Net current assets	944,914	-	6,789	951,703
Net assets at the end of the year	3,281,601	1,384,177	607,955	5,273,733

St. Michael's Hospice (North Hampshire)

Notes to the financial statements

For the year ended 31 March 2022

20a Movements in funds (current year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Building projects	601,167	-	(57,835)	-	543,332
Equipment	6,062	-	-	-	6,062
Support Programmes	590	-	(590)	-	-
Donations/Grants expended	136	2,800	(2,289)	-	647
Covid 19 related grant from NHSE	-	407,493	(407,493)	-	-
Wessex GP Education Trust	-	4,215	-	-	4,215
Lindbury Education Trust	-	50,000	(47,517)	-	2,483
Total restricted funds	607,955	464,508	(515,724)	-	556,739
Unrestricted funds:					
Designated funds:					
Property improvement fund	45,000	-	-	125,000	170,000
Insurance fund	100,000	-	(11,280)	-	88,720
Training fund	20,000	-	(20,000)	-	-
Fixed asset fund	-	-	-	248,820	248,820
Legacy contingency fund	-	-	-	300,000	300,000
Service development fund	-	-	-	191,206	191,206
Total designated funds	165,000	-	(31,280)	865,026	998,746
Fair value reserve	1,384,177	295,482	-	-	1,679,659
General funds	3,116,601	5,181,746	(4,540,722)	(865,026)	2,892,599
Total unrestricted funds	4,500,778	5,477,228	(4,540,722)	(865,026)	4,572,258
Total funds	5,273,733	5,941,736	(5,087,726)	-	6,127,743

St. Michael's Hospice (North Hampshire)

Notes to the financial statements

For the year ended 31 March 2022

20b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Building projects	659,465	-	(58,298)	-	601,167
Equipment	26,302	7,226	(27,466)	-	6,062
Education	8,203	-	(8,203)	-	-
Support Programmes	961	-	(371)	-	590
Community Palliative Care	-	25,000	(25,000)	-	-
Donations/Grants expended	-	51,401	(51,265)	-	136
Covid 19 related grant from NHSE	-	975,685	(975,685)	-	-
Friends of St Michael's Hospice Covid 19 Appeal	-	185,963	(185,963)	-	-
Calleva Foundation	-	20,000	(20,000)	-	-
Total restricted funds	694,931	1,265,275	(1,352,251)	-	607,955
Unrestricted funds:					
Designated funds:					
Property improvement fund	-	45,000	-	-	45,000
Insurance fund	-	100,000	-	-	100,000
Training fund	-	20,000	-	-	20,000
Total designated funds	-	165,000	-	-	165,000
Fair value reserve	842,128	542,049	-	-	1,384,177
General funds	2,604,278	4,624,331	(4,112,008)	-	3,116,601
Total unrestricted funds	3,446,406	5,166,380	(4,112,008)	-	4,500,778
Total funds	4,141,337	6,596,655	(5,464,259)	-	5,273,733

20 Movements in funds (continued)

Funds – current and prior years

Building projects: Donations were received for building projects to provide for the expansion and refurbishment of the Hospice buildings. As the final project was completed in April 2014, all of the outgoings relate to depreciation.

Equipment: The equipment fund provides for the purchase of various types of equipment for which specific funding has been raised.

Support programmes: The funding provides for supporting specified groups of patients and their families.

Donations/Grants expended: The income is for a medical salaries grant and for various PPE supplies.

Covid 19 related grant from NHSE: The NHSE (NHS England) awarded funding to allow the hospice to make available bed capacity and community support from mid-December 2021 to 31 March 2022. This funding was to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support for the same purpose. In addition funding to support our Single Point of Contact project was also funded from Omicron response funding.

Wessex GP Education Trust: funding to enable additional staff to attend History Taking course.

Lindbury Education Trust: This was awarded to appoint and fund the training of a Clinical Nurse Specialist. Since awarded the scope of the funding has been widened to enhancing more nurses skills to Advances Practitioner level.

Education (2021): The education funds provide for the support of course fees for nurses, together with delivering specific training to relevant bodies in the community.

Community Palliative Care (2021): This is funding for the continuation of the community palliative care programme.

Friends of St Michael's Hospice Covid 19 Appeal (2021): appeal run to mitigate loss of income from events and to further support the Hospice.

Calleva Foundation (2021): The Calleva Foundation made a donation in April 2020 to provide funds to support St. Michael's Home Care Limited.

Funds – current and prior years (continued)

Purposes of designated funds

Property improvement fund: Reserves have been designated to complete the refurbishment programme in the In Patient Unit scheduled for July 2022. Further capital works designated include an upgrade to the server, decoration of the family room and a new cafe in the Turner Centre all planned in 2022-23.

Insurance fund: during the year a successful claim for business interruption was made. However, this resulted in a significant increase in insurance premium. This fund is to cover the additional cost of insurance for a five year period.

Training fund: The Hospice began an extensive management development programme during the year and this fund covered the high up front costs of developing the programme.

Fixed asset fund: This is the value of fixed assets in the balance sheet owned by the Hospice and not covered by restricted funds. These assets cannot be readily realised into cash so are therefore excluded from our general reserves.

Legacy Contingency fund: the trustees have decided to designated £300,000 in 2021-22 to cover any shortfall in legacy income in the coming years. When the budget for 2022-23 was agreed a large legacy anticipated in that year crossed the income threshold and required recognition in the current year reducing our ability to meet the 2022-23 legacy budget. Annually the trustees will consider the risks within the lgeacy budget and adjust amount held in the legacy contingency fund.

Service Development fund: the trustees have decided to invest in five new roles in 2022-23 in order to achieve it's strategic objectives. This fund covers the cost of these investments during 2022-23.

Fair value reserve: This fund represents the excess of fair value over the historic cost of the investments.

Notes to the financial statements

For the year ended 31 March 2022

21 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2022	2021	2022	2021
	£	£	£	£
Less than one year	231,700	211,700	49,075	10,491
One to five years	709,600	721,350	82,134	10,071
Over five years	262,150	312,100	-	-
	1,203,450	1,245,150	131,209	20,562

The above equipment lease commitments include company cars provided to qualifying staff under a salary sacrifice arrangement.

22 Post balance sheet event

Since 31 March 2022, the markets have continued to be volatile. As at the date of approving the accounts, the value of investments had fallen by £112,000 compared with the 31 March value.

23 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.