

## **St Margaret's Somerset Hospice**

Registered charity number: 279473

Company registration number: 01471345

# **Annual Report and Consolidated Financial Statements 2021/22**

*The Trustees are pleased to present their annual report and consolidated financial statements for the year ending March 2022.*

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*The trustees report for the year to 31st March 2022 incorporates the Directors' Report and the Strategic Report as required by Company Law and is set out in pages 4 to 19 of the following report.*

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## Welcome

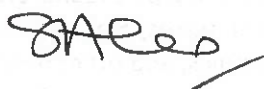
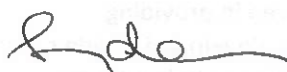
We faced the year with on-going trepidation. With Covid still prevalent throughout Somerset, we knew that we had to remain vigilant to safeguard our patients and provide continuing hospice care against an uncertain backdrop. Our staff and volunteers rose to the ongoing challenge and made difficult decisions with the same bravery that we pride as a core value at St Margaret's. As well as delivering specialist palliative care for those in their final weeks, days and hours of life, our compassion extended beyond this. From arranging a wedding on the In-patient Unit for Alex and Lauren, enabling a dying parent to share pizza with his son as they watched football together, to ensuring that Nuno could return home to Portugal to die surrounded by his family, all our teams went the extra mile to ensure families could make the most of the time they had left together. Last year our work directly supported 4,734 people while the reach of our education, support and advice influenced the care of many others in the county.

None of this was without challenge, but the impact we had on the lives of each of those individuals and their families was immeasurable – and is what continues to make St Margaret's so special. We take the time to care, to get to know the real person and what is important to them, so they are not defined by their illness or the time they have left. This was epitomised by the Hospice's brave new campaign – Time to Care – which launched in 2021 enabling Caroline, a 43-year-old mum, to share her story. The campaign not only helped us to raise vital funds in a challenging economic climate but has become synonymous with who St Margaret's is, and how we approach our work in a holistic way.

During the year, we piloted new projects, and innovated how we work, including becoming the first hospice to receive funding to support simulation learning within our education and learning programme. Crucially, we continued to collaborate and play a pivotal role within the developing integrated care system across the county, which has led to co-location and cross team working with Yeovil District Hospital Haematology and Oncology services and District Nursing services. We were thrilled to also be shortlisted in the Somerset Business Awards as Charity of the Year.

The ongoing pandemic did mean a delayed start to public fundraising, which only began in earnest in July. However, when we did get going our community did not disappoint! Not only did they come out in force to support our fundraising events, including our inaugural Sunflower Stroll and New Year's Day Dip, but they took to the high street donating quality items to our shops, and in turn made purchases, achieving record profits for our retail operation. St Margaret's continued to collaborate with our community, and it was particularly encouraging to see local businesses and companies come out in support of the hospice again. This all resulted in a strong financial performance, and we are delighted to report that St Margaret's generated a surplus of £2.4M. Without the Covid related government grants and gains from our investment portfolio our surplus would have reduced to £1.2M. Nevertheless, this puts us in a healthy financial position as we continue to face new challenges associated with the cost-of-living crisis and embark on a new hospice wide strategy that will build on the care we continue to provide.

None of this would have been possible without the ongoing commitment, expertise, humour, and humility of our teams. Those people at the end of the phone at 2am providing reassurance and a friendly voice, those who open our shops on a bank holiday so our community can benefit, those who stand in the freezing cold marshalling events or holding the hand of a husband who has just lost their lifelong partner of 50 years. It is these people who make St Margaret's the phenomenal organisation that it is, and our heartfelt thanks go out to every member of staff and volunteers that took the time to care last year as well as donors for their loyal support.



**Jonathan Langdon (Chair) and Ann Lee (CEO)**

## Trustees' Report

### Objectives & Activities

#### Our Purpose, Vision, and Mission

St Margaret's Hospice Care has been at the heart of the Somerset community for over forty years, providing compassionate care and support for families who are facing a life-limiting illness. Registered as a charity in 1980, to provide free specialist palliative care for the community, today we serve a population of approximately 520,000 people and believe that everyone in our community deserves the right care and support at the end of life.

Somerset's population is older than the national average and growing year-on-year. With over 6,000 people dying each year in our county we estimate that 4,000 of those people would benefit from hospice care. Projections expect to see the county's population increase by 12% by 2035, and the *Office of National Statistics* estimates that, by this time, there will be as many residents in their 80s as in their 20s. An ageing population in rural Somerset that has complex health and social care needs means that early and equitable access to palliative and end of life care services will become more important than ever. As we continue to manage the legacy of Covid and the profound impact this had on our communities, we know that we must continue to adapt and respond to ensure end of life care is available, appropriate, and accessible for all.

**Our Vision is of a community that values life and provides the best care for dying people and those close to them**

**Our Mission is to extend the reach and availability of our expertise, to enable compassionate, joined-up care for our whole community**

#### Our Values

Hospice care at St Margaret's is about taking the time to get to know our patients and tailoring a personalised approach. This means combining excellent medical and nursing care with holistic support that recognises the practical, emotional, social, and spiritual needs of everyone. Our values reflect this and underpin all that we do and weave through every aspect of our hospice care.

**We are patient-centred, respectful, brave, self-aware, compassionate, informed and driven**

#### Our Services and Activities

St Margaret's plays a pivotal role in the wider Somerset Integrated Care System, offering its expertise in end-of-life care to support more people to live as well as possible until they die. Crucially, we also recognise that this means looking after those closest to them - the husbands, wives, life partners, children, and carers of our patients. This includes celebrating the important role that the hospice can play in enabling our community to raise funds in memory of loved ones, participate in events together to celebrate the lives of family and friends, and providing an outlet for companionship through volunteering and giving people a sense of purpose as they give their time to support a cause that touches the lives of so many.

Our services operate and provide outreach from two hospice buildings in Yeovil and Taunton, and we have staff based throughout Somerset, including five teams of specialists supporting patients in their homes. They are based in Minehead, Glastonbury, Bridgwater, Taunton, and Yeovil and from these bases they collaborate with GP practices, district nurses, community hospitals and offer assistance to care homes throughout the county. The hospice teams are also actively involved in providing placements for the training of student nurses, medical students, GPs and have developed a wide range of training resources for patients, families, and other health care providers, offering help with the physical and emotional needs of patients and carers. Crucially, our input into palliative and end of life care is not limited to what we do directly, but in helping other care providers to care also.

### **In summary our main services include:**

- **Community Teams:** Supporting patients and those close to them, in their own homes
- **24/7 advice line:** Our frontline response any time of day or night
- **Outpatients:** Physiotherapy, Lymphoedema, Complimentary Therapy and much more
- **In-patient beds:** For end-of-life and specialist complex care needs
- **Sunflower Centre:** Day services for people living at home
- **Bereavement:** Caring for those who have been left behind
- **Family Support:** Adjusting to life without a parent, sibling, or other close relative
- **Spiritual Care:** Helping to make sense of and support what is important to each individual
- **Outreach & Carer Support:** Early support to improve quality of life for patients and families

### **Delivering public benefit**

Our charitable activities are focused on offering free holistic care, support, and advice to people and their families across Somerset affected by any advanced life-limiting illnesses and the approach of end of life. Our work often continues with families and carers after the patient has died. The trustees confirm that our activities are undertaken in pursuit of our charitable purpose for the public benefit and are available to anyone who needs them, whoever they are and wherever they are in the county.

### **Our Strategic Objectives and Future Plans**

We completed our Fit for Future strategy at the end of 2019/20 which culminated in the remodelling of services. This enhanced our community provision increasing the reach and equality of care across Somerset. We embarked on a new interim strategy in 2021/22 with six overarching goals that underpin and inform our work as a hospice, while also reflecting and incorporating the lessons learnt during the previous year, where we faced financial uncertainty and workforce challenges. Key to this was the need to remain agile and responsive, while developing a set of streamlined goals that provide focus. These goals explain how together we will...

- make our care more accessible to all
- drive engagement with our community to improve the way end of life care is delivered across Somerset
- attract, develop, and retain a compassionate, engaged, and flexible workforce
- be an organisation where all staff and volunteers can flourish and thrive
- achieve financial sustainability
- learn and continually improve the quality and impact of all that we do

In support of the strategy and to work towards longer term financial sustainability a new transformation committee was established to explore a broad range of change and improvement plans. The emerging themes from that work are as follows:

- the need to find a solution to ongoing resourcing challenges, such as addressing the shortfall in volunteers in a post pandemic world
- the need to continuously revisit and learn from stakeholder engagement to ensure greater understanding, take-up, support, and funding of our work
- the need to better understand and articulate our costs, value and impact as a care provider and role within the wider health and social care space
- the need to recognise how taking a digital first approach can enable greater capacity and capability to drive efficiency and effectiveness that ultimately benefits our stakeholders

Tackling these challenges started in late 2021/22 and will form the basis of the strategic activity undertaken by the Senior Leadership Team (SLT) in the following twelve months.

## Performance & Achievements

- In total St Margaret's Hospice supported 4,734 people in our community
- 2,570 were patients with end-of-life care needs, while 1,436 were treated by our specialist lymphoedema team
- 728 family members and carers were also directly supported through our services

During 2021 we began to feel the impact of people not attending their GPs or having appointments and investigations postponed. This resulted in people being referred to the hospice at a much later stage in their illness with more advanced symptoms, leaving patients and their families with less time to come to terms with a prognosis and much closer to the end of their lives. In turn this has led to additional pressures, linked to supporting the mental health and wellbeing of patients and those closest to them. Against this backdrop we worked towards achieving our six strategic goals:

### ➤ Making our care more accessible

Geographically, St Margaret's provided its care to residents across Somerset, from Porlock in the West to Wincanton in the East and in multiple towns and villages throughout our large rural county. 85% of those referred to our services last year had a cancer diagnosis, but our care extended to patients with a range of other life limiting conditions such as motor neurone disease, cardiac or renal failure, and respiratory disease. 154 patients with the most complex conditions and symptoms were admitted to the hospice In-patient Unit (IPU), while many of their family members received support from our multi-disciplinary team. These referrals and admissions were needs-led and, as a result, the specialist beds in Taunton supported patients from right across the county. 42% of admissions to our IPU were discharged home or into a community setting once symptoms were stabilised with care plans in place. Due to the increasingly complex nature of patient needs on the IPU and challenges in care provision across Somerset due to the pandemic, the average length of a stay on the IPU rose to 19 days.

To increase access, we introduced seven-day working by our Community Nursing Specialists (CNS) to provide additional specialist community support right across the week. This now means families and other care services in our community can be assured that enhanced specialist palliative, and end of life care, knowledge and advice is available 365 days each year. Last year on average 464 patients were directly supported or cared for by our teams each week, with over 90% of our care delivered out in the community or people's homes.

Our advice line continued to be a lifeline for many across our community and benefited from continued investment so that we could increase training and staffing to ensure that it was adequately manned by experienced staff 24/7. In total the team managed 36,007 calls, from patients, family members and healthcare professionals highlighting the huge and ongoing need for this service.

We continued to provide a comprehensive programme of online training and resources, some of which was accessed by patients beyond our borders and as far afield as the USA, where we learnt that our lymphoedema exercise video was empowering patients who could not find anything locally.

We have re-opened our two Sunflower Centres, for outpatient appointments and clinics with physiotherapists, specialist nurses, social workers, or complementary therapy teams, after two years of having to operate remotely. Being able to share experiences with others going through something similar is hugely empowering and the provision of these services plays such an important part in enhancing a patient's quality of life, as well as starting to have conversations around their future care and wishes. We have also welcomed back families and carers into the hospice settings, to take full advantage of our programme of supportive services. From cooking clubs for widowers and those recently bereaved to arts and crafts classes, spiritual support, and family support sessions, we provided a range of activities and engagement opportunities to support patients and those closest to them.



Our Bereavement Team delivered 4,136 sessions of support, while our Family Support Team were kept busy, providing 1,091 sessions for children and young people. Where a patient has a young family, our team will help them talk to their children about how things are going to change, often working with their schools, and offering opportunities for these young people to meet with other children who have experienced or are going through the death of a parent or significant adult.

Our Yeovil hospice site and services were re-designed, relaunched and we welcomed volunteers back to help deliver our services. We formalised our partnership with Yeovil District Hospital, who continue to provide their vital chemotherapy services from our Yeovil hospice hub. Working alongside our own clinical teams together we provide an integrated and holistic care package for the community of East and South Somerset from those newly diagnosed and at the early stages of cancer, through to individuals preparing for the latter stages of life.

Access to hospice care is also about ensuring that people from different communities, cultures, and religions feel comfortable benefiting from our care and know that it is available to them. Our Spiritual Care team continued to play a pivotal role in bringing our community together, celebrating diversity amongst both our staff and patients – from inter-faith week to an international Christmas gathering. We also added capacity of this resource by growing our volunteer bank of Spiritual Care Assistants to ensure consistency of spiritual care throughout the year. Together they supported 199 patients.

➤ **Driving engagement with our community to improve the way end of life care is delivered across Somerset**

Covid shone the spotlight on how St Margaret's could offer and share its expertise, and this has seen significant improvements in how end of life care is delivered across our community. Throughout the year, various parts of the organisation supported and engaged with the work of the developing Integrated Care System in Somerset. Representing the challenges and ambitions for palliative and end of life care for the population of Somerset, our teams have been part of workstreams to improve digital connectivity across different organisations, supporting county-wide coordinated learning, as well as workforce development and opportunities for trainees and existing staff in all settings.

Operating at local area levels we also helped to develop closer ways of working with GPs, District Nurses, and other professionals important to the ongoing care of people approaching the end of life. The co-location of the Taunton Overnight District Nursing Team in our Taunton hospice is already helping to facilitate an effective, responsive service to those end-of-life patients requiring support overnight in this area.

Teams from across the hospice were also asked to provide substantial input into the development and launch of the Somerset End of Life website, as well as being asked to present at the Somerset End of Life Care Conference. We have also led the thinking around spiritual care on the CCG End of Life Programme Board. Often seemingly invisible work, the input of the hospice teams is invaluable and has assisted in positive changes being made across the whole health and care system in Somerset.

While most of our referred patients had a cancer diagnosis, we worked with healthcare providers across Somerset to highlight the beneficial role hospice care can have for all life limiting diagnoses. We continued to support and feed into the heart failure end of life workstream, and our medical staff are now leading on a Somerset Heart Failure project, which aims to improve access to palliative care and symptom control for people with this disease including ways in which medication can be administered at home, potentially avoiding the need for hospital admission.

We played an instrumental role in the development of a county-wide policy on the use of syringe pumps and competency training, as well as supported the funding and acquisition of sufficient replacement pumps.

Pain management and symptom control are important aspects of hospice care, and therefore being able to ensure that patients have access to syringe pumps, and staff across the county are trained in their use, provides patients with reassurance that their symptoms can be appropriately managed at home or in other settings.

St Margaret's was one of the first hospices in the country to be accredited as a Project ECHO (Extension of Community Healthcare Outcomes) Hub. ECHO uses video conferencing to bring together community healthcare providers and medical specialists to share best practice and learning. This tele-mentoring model means that distance between the Hub and, for example, Care Homes is not a barrier in creating a knowledge sharing network in a large rural county. Last year we significantly increased sign-up and attendance at our ECHO networks, and during that time the project was extended to include healthcare providers supporting people with learning difficulties, homeless organisations, Southwest Ambulance Service Foundation Trust, and some NHS community teams. Project ECHO embodies the ethos of collaboration, and we are excited about the joint learning and support we can embed across the organisations and amongst teams of people involved in end-of-life care in Somerset.

Engaging with hard-to-reach communities and those who often fall off the radar of services was also an important focus last year. We partnered with organisations supporting people with learning disabilities, to create user-led online resources and training videos, which were shared with Health and Social Care professionals involved in supporting this group. St Margaret's also coordinated the inaugural Homelessness support meeting for Somerset looking at how we can coordinate and ensure homeless people can benefit from end-of-life care.

Our Spiritual Care Coordinator provided training for the pastoral care teams of local parishes and often responds to specific requests, such as a session delivered in August 2021 that discussed suicide, a topic that was identified as a key priority by the parishes.

We also continued to work with other hospices to share practices and learn from each other to ensure that each of our local communities could benefit from the very latest knowledge and thinking from across the sector.

#### ➤ **Attracting, develop, and retain a compassionate, engaged, and flexible workforce**

Having the right team in place to deliver our work in a sustainable way was crucial to the success of the hospice last year. Coming out of Covid posed several challenges, not least following a period where a significant number had either been furloughed or had worked tirelessly throughout. Both situations posed challenges around well-being and resilience. We tackled this by providing access to mental health first aiders network, a wellbeing check-in, and a programme of resources available to all staff. This included access to Somerset Emotional Wellbeing support and training.

During 21/22, our teams continued to harness technology and transitioned to remote ways of working, while safely resuming face-to-face activities to ensure we adopted a hybrid approach that worked for everyone. Ensuring that our 320+ workforce remained connected regardless of role or location and available to respond to patients when they needed us, was a huge undertaking last year. Our in-house IT team expertly facilitated staff working from home and established 31,000 connections to key business systems during the 12-month period. And when technology did not quite work, our team supported 332 people (staff and volunteers) with 6,349 individual support requests – with an overall positive satisfaction rating of 95%. We also worked hard to build on and improve our internal communications, including the roll out of new digital platforms and senior leadership briefing sessions.

Due to the pandemic, we have seen our volunteer resources deplete as people reassess priorities and personal circumstances. Attrition across our income generation teams was particularly felt, with one third of our retail volunteers and over two thirds of our fundraising volunteers deciding not to return.



Much of the year was therefore spent navigating these challenges, and re-assessing our volunteer proposition and management, which is now a key strategic priority going forward.

Thanks to targeted advertising and the revamp of our marketing, as well as building on the strong reputation we already hold, we saw increased interest and successful external recruitment across our clinical directorate. We filled 78 permanent vacancies, with 15 people joining our bank teams.

Working in partnership with University Centre Somerset, Somerset NHS Foundation Trust, and the wider healthcare system, we successfully recruited to two new trainee roles, Nurse Associate, and an Advanced Clinical Practitioner within the hospice. These new roles will help us not only grow the skills of our team but will be key in our ongoing ability to meet the workforce challenges that are faced across all care settings. Attracting a high calibre SLT was also a key focus for the year, and we look forward to benefiting from their experience, expertise, and energy.

#### ➤ **Being an organisation where all staff and volunteers can flourish and thrive**

During the year several staff celebrated their long service with St Margaret's including one clinician who marked 35 years, and two who celebrated over 30 years and a further two who enjoyed over 20 years in post, albeit different roles in that time. On the opposite end of the scale, we welcomed new staff and apprentices, and were thrilled to see staff grow and develop in their roles confidently taking on new opportunities internally, stretching themselves and thriving in the process as they became first-time managers or applied their skills in a different team.

The launch and roll out of our core competencies framework in 2021 helped to provide a strong foundation for our recruitment programme, providing a clear indication of the skills and behaviours we expect of our staff. In addition, the framework has enabled staff to tackle difficult conversations, challenge in a constructive way and understand how to develop within their roles.

Throughout the year staff and volunteers have had access to an extensive learning and development programme to support their working experience at the hospice. Being nominated and shortlisted for the prestigious Student Nursing Times Award for national best student placement was hugely rewarding and demonstrated the high regard that St Margaret's is held in as a clinical teaching establishment.

#### ➤ **Achieving financial sustainability**

During 2021/22, we took strides forward in diversifying and building robust sources of income, to sit alongside our commission funding to help underpin and pay for our ongoing provision of care. A big success story was the re-opening and recovery of our charity shop network. Doors opened to the public on the 12<sup>th</sup> of April 2021, and results were strong from the outset, due to the pent-up demand following the three lockdowns. Furniture sales were particularly high and saw our Old Cinema furniture shop in Yeovil gross annual sales of £600K for the first time – making this single shop one of our largest overall income streams. Collectively the 31 shops generated sales 8% ahead of budget and achieved record profits of £1.5M (before central support costs). At the same time the retail team took the opportunity to continue diversifying and capitalised on digital sales and the growth of our eBay shop, which grossed £63K. Gift Aid levels also recovered and was back up to 34% by the end of the year resulting in £307K of income.

Lottery income continued to experience a decline in gross income, due to the lack of active player recruitment we were able to carry out over the last two years. However, attrition was very low at 9%, which is well below sector averages, meaning we finished the year with 12,274 chances in the weekly prize draw, just 409 down on the previous year. As restrictions lifted, we hoped to get canvassers back on the streets, but challenges with recruitment meant that this started much later in the financial year.

Where we were able to achieve growth was through selling tickets in the shops, once they were back open, which provided an additional 10,134 single ticket sales. Once again, we were also overwhelmed by the kindness of lottery winners, many of whom immediately gifted back their winnings resulting in £23,334 of donations in 21/22. Our two raffles generated over £52K between them and continue to be a useful income tool during a difficult economic time for our community.

Fundraising finished 20% ahead of budget contributing £1.3M in net income. While income was £53K behind target, strategic changes, and cost efficiencies, meant our return on investment improved once again. We invested in corporate partnerships by introducing a new dedicated post, and this resulted in the doubling of income in less than six months. Income from trusts and foundations was £233K, which is where we expect it to be. As a result of the pandemic, we took the opportunity to rethink our public fundraising activity, especially events, and made the strategic decision to manage events within the Marketing team with a view to focusing on acquisition through more meaningful communications and engagement channels. This has proven successful, and income has grown, although is not back to pre-covid levels. Income per participant is higher and the range of events and quality of experience is far greater. We were delighted to introduce two new events last year the Sunflower Stroll and New Year's Day Dip. Over 600 people took part in our events, and many more organised their own activities in support of the hospice.

We grew our database, welcoming 2,453 individuals who donated for the first time, and average individual gift values rose from £60 to £67 (our target was £65). Regular Giving attrition was 5% versus a target of less than 7%, which meant we retained a loyal following of supporters throughout the year. Gift Aid claimed on fundraising donations totalled £74,883. Income from major donors also increased.

Finally, as in previous years we benefited from legacies left to the hospice, which was once again up on prior year at £3.3M compared to £2.7M in 2021.

#### ➤ **Learning and continually improve the quality and impact of all that we do**

Coming out of Covid allowed us to roll out and continue working in new ways. This included taking forward a hybrid way of working and harnessing the use of technology and software to reduce travel, optimise time and improve efficiency. We also transitioned much of our administrative and governance work onto digital platforms, ensuring that all staff and volunteers have access to policies and procedures to ensure all are accountable and compliant within their different roles. The development of a new Risk Register App has also helped to ensure that the management of risk is kept dynamic and more accountable across all aspects of the organisation.

We continued to review our services in relation to patient need and took the opportunity to make improvements as and when staffing changes necessitated the need to address gaps and challenges. As part of business as usual there was constant striving across all areas to look at how we could achieve more or do things differently, to improve our support to people across Somerset.

In terms of our clinical services, we took on board feedback from users and re-structured our family and psychological therapy activity to improve continuity of service delivery. This has resulted in a service that can offer more availability for those requiring support, reducing the risk of delay if a key member of staff was not available. Further, as more people choose to die at home and end of life care is delivered in the community, there are increased pressures on carers. The hospice responded through the creation of carer champion roles across the clinical teams, who now play an important role promoting awareness, support, and signposting of the needs of carers, across the organisation.

Patients and families can feed back on their experiences via the *I Want Great Care* feedback mechanism. In 2021/22 we received 228 responses. 82% rated our care as 5\*, 98% said 4\* or more. Compliments covered all aspects of our care and included:

- *“I had really good care and felt I was being listened to”*
- *“The counselling I received from the bereavement team helped me so much - so supportive and non-judgemental which I was really grateful for. [They] helped me feel more positive about the future and come to terms with the death of my mum.”*
- *“Exceptional care preserving dignity at all times.”*

At the same time, we received a handful of complaints or concerns, which we actively encourage as an important way to inform our learning and future development as a hospice. In total, the hospice received six complaints relating to clinical care. All were investigated and, where appropriate, changes made, or lessons taken forward.

The introduction of a Data Protection Officer post was also a significant step forward for the hospice, to ensure that we continue to take our responsibilities seriously when protecting the data rights of our patients, supporters, and staff. In addition, following some staffing changes a new Head of Clinical Quality and Patient Experience role was recruited into demonstrating the importance and value we place on delivering excellence while ensuring that we listen and respond to the needs and feedback of our patients. This in turn will inform future service developments. The introduction of our first Clinical Digital Lead will also allow us to take full advantage of the multiple ways we can communicate, engage, and support patients in a digital age.

Our clinical teams were involved in a range of research projects, contributing to further advances in palliative care for the benefit of dying people and healthcare professionals both locally and nationally. The St Margaret's Research Group was established to provide oversight of our research activity and to encourage participation in relevant projects. Examples of recent projects include research into forms of hydration for patients with cancer; improving palliative rehabilitation through goal setting; and approaches for speaking to patients about corneal donation.

Finally, we were thrilled to be the first Hospice in the UK to introduce simulation learning to support our programme of Learning & Development. As part of a project funded by Health Education England, we are designing and delivering a simulation programme to support excellent practice in end-of-life care within the hospice for all teams. Using the re-creation of 'real life' events is known to be an effective and powerful learning technique. It is flexible and adaptive, can be used in almost any situation, and for any group of learners, and will help improve skills, increase confidence, identify issues, and result in safer patient care.

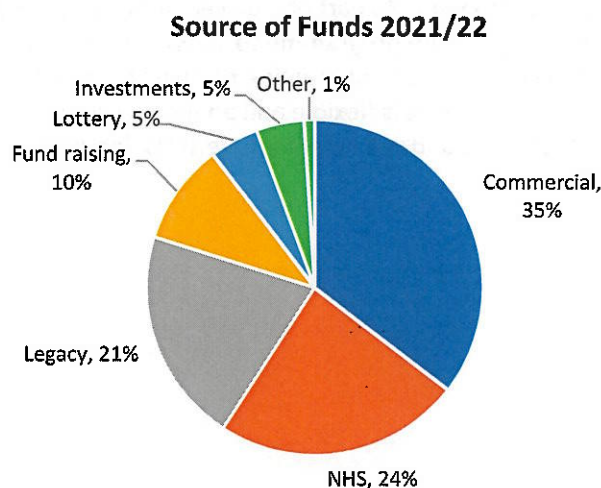
## Financial Review

Financial headlines	2022 £000s	2021 £000s
Incoming resources	14,625	13,096
Resources expended	(12,683)	(11,258)
Investment net gain/(loss)	500	1,093
Net movement in funds	2,442	2,931

Despite the ongoing challenges posed by the pandemic in the first half of the year, we are delighted to report that St Margaret's finished 2021/22 with a surplus of £2.4M. This is a stronger result than was expected and is very much thanks to the local community, the ongoing generosity of funders, a remarkably strong performance from our charity shops as well as another good year for legacies. Further grant funding (£651K) was made available through Hospice UK by the Government as part of their covid support, which covered the period of December to March and required the hospice to keep the In-patient beds open and regularly complete the capacity tracker. We are incredibly grateful for this ongoing support and collectively this meant the hospice received a total of £14.6M (2021: £13.1M) in the year to 31 March 2022, while expenditure was £12.7M (2021: £11.3M).

### Income

The chart below shows the different sources of funding. A key component of this is the NHS grant of £2.8M, which is a result of the close relationship we had with the Somerset Clinical Commissioning Group to ensure joined up and seamless care for our community. This was 10% higher than originally budgeted due to the inflation uplift for 2021/22 being agreed and paid during March 2022. The remaining (over 70%) income last year was reliant on charitable funding, including income generated via our charity shops, demonstrating the overwhelming compassion and resilience of our community who support us.



The surplus also includes a £500K investment gain, based on a portfolio valuation of £8.3M. A breakdown of the main sources of income is provided below:

- Retail, Lottery, and ancillary trading - £5,855K (2021: £2,516K)
- Legacies - £3,274K (2021: £2,716K)
- NHS Clinical Commissioning Group - £2,828K (2021: £2,341K)
- Donations and Grants - £1,435K (2021: £1,638K)
- Hospice UK (Covid) Funding - £651K (2021: £2,384K)
- Retail (Covid) Grants - £107K (2021: £401K)
- Furlough Receipts - £14K (2021: £717K)

### **Expenditure**

Total expenditure was up on prior year at £12,683K therefore compared to £11,258K in 2021 reflecting the resumption of much of our clinical, retail, and fundraising activity. It was, however, lower than our expenditure in 2020 which was £13,801K. As a hospice we spent £7,238K on direct clinical costs and provision of care, compared to £6,897K in 2021. Our expenditure on raising funds increased to £5,445K from £4,361K as we were able to resume trading in our shops from early in the financial year.

Without the Covid related government grants and gains in investment our surplus would have reduced by £1,271K to £1,171K.

### **Non-adjusting post balance sheet event**

During the year St Margaret's Funerals Ltd provided 60 funerals for families across our community but has not delivered the anticipated financial return. In total the business made a loss of £203K for the year, including the impairment of fixed assets to their net realisable value, compared to a loss of £44K in 2021. While outside of the reporting period, in July 2022, the Board of Trustees of St Margaret's Hospice Care made the decision to cease trading via St Margaret's Funerals Ltd. Several factors have led to this decision, such as changing consumer habits during and post covid, as well as new regulations that restrict how the funeral industry market their services, and ultimately the Board do not believe that the financial forecasts show a reasonable prospect of the business being able to generate a surplus in the foreseeable future. Since the decision was made after the balance sheet date, these accounts do not include any costs associated with the cessation of trade

### **Reserves**

The hospice holds reserves as part of the strategy to manage financial risk to improve both the financial security and the operational sustainability of the organisation. Free reserves are net assets excluding those that are subject to restriction or invested in fixed assets for charitable use. Free reserves do not include legacies that have been recognised and not yet been received.

The Trustees' aim is to maintain sufficient free reserves so that St Margaret's clinical service delivery can be sustained for a reasonable period and to protect the charity from significant changes in flows of funds from the NHS Clinical Commissioning Group, the Somerset community, and from legacies. Trustees recently agreed that the optimal level of free reserves should be increased to 12 months of charitable expenditure in light of the increased financial risk to the charity from the current economic situation, which is leading to rising costs and reduced levels of fundraising support. The Board of Trustees ensure that the level of free reserves is adhered to through setting an annual budget and careful monitoring of progress throughout the year.

At the close of the financial year, free reserves amounted to £13.6M (2021: £11.0M). This slightly exceeds the increased level of reserves required in view of the uncertain economic climate that we currently face. The policy is currently to hold reserves equal to 12 months' expenditure which in the last year totalled £12.7M. At the close of the financial year, unrestricted reserves were £20.9M (2021: £18.3M) and restricted reserves were £2.5M (2021: £2.6M).

### **Investment Policy & Performance**

Our investments are held for the purpose of generating funds for our charitable activities and as a reserve against any future shortfall in income. The overall aim is to ensure that our longer-term investments achieve a maximised return with a moderate risk factor, with an outcome of a greater level of return than could be realised in the banking sector. The investments are overseen by the Finance Committee, with day-to-day management of the investment portfolio undertaken by Rathbones, who are well regarded investment advisors. The Trustees' investment policy guides the external advisors' activities, with consideration given to social, environmental, and ethical issues. This policy specifically restricts investments in products that are ethically unacceptable and specifically not with tobacco stocks where there are proven links with cancer. The performance is monitored by the



Chief Executive, Finance Director and Finance Committee Trustees who liaise with the Rathbones' Fund Manager.

## Structure, governance, and management

### Structure

St Margaret's Hospice Care is a registered charity and company limited by guarantee registered with Companies House. Incorporated in 1980, our charitable purpose is enshrined in our Articles of Association.

### Subsidiaries and related parties

As the parent Charity, St Margaret's is also the sole shareholder of St Margaret's Somerset Hospice Retail Limited, St Margaret's Fundraising Limited, St Margaret's Funerals Ltd, Hospice Funerals Trading Limited, Somerset Rocks Ltd and St Margaret's Technical Services Ltd. The results of the subsidiaries' trading activities are set out in notes 28 to 30.

Operating across Somerset, St Margaret's works collaboratively with other organisations delivering palliative care and end of life care services, including Somerset NHS Foundation Trust incorporating Musgrove Park Hospital and community services, Yeovil District Hospital NHS Foundation Trust, GP Practices, Marie Curie Cancer Care, Macmillan Cancer Support, Somerset County Council Adult Social Services, and care homes throughout the county. St Margaret's is also a member of Hospice UK, the national umbrella organisation that gives a voice and platform for all hospices in the UK.

### Governance

#### Regulation

The hospice is registered with the Care Quality Commission (CQC), which regulates and inspects the hospice as an independent healthcare provider. Face to face inspections were put on hold during Covid, and a transitional monitoring approach was adopted. We have considered the support our teams will need should unannounced inspections occur and plan some training sessions to raise confidence in welcoming and talking to inspectors which we understand can raise anxiety.

We welcomed a new inspector in the autumn of 2021 and took the opportunity to review our registered activity and location, which has remained unchanged. The autumn engagement meeting with our inspector prompted us to review our Safeguarding processes and policy, and we have continued to comply with the submission of statutory notifications when appropriate. We continued to collect evidence and keep abreast of the necessary governance and compliance plans and our CQC Inspector has no concerns about any of our clinical activity. External safeguarding supervision is in place to commence in the new financial year.

Registered with the Fundraising Regulator and licensed with the Gambling Commission, all fundraising activities are carried out in accordance with best practice and in line with the current Codes of Fundraising Practice and are internally audited. As a hospice we raise funds via multiple fundraising activities, including postal and digital appeals, events and fundraising that is organised by others on our behalf. Fundraising is conducted in line with the hospice's 'Key Principles and Behaviours Policy,' which outlines our approach, including protecting vulnerable people. Our Legacy Policy also details a clear framework for dealing with potential and existing legators ensuring supporters are treated fairly and not subject to unreasonable persistent or intrusive communications. During 2021/22 we re-started canvassing and started using a new professional fundraising agency called Engage & Connect to undertake face-to-face recruitment of players for our weekly prize draw.

To ensure ongoing compliance with General Data Protection Regulations (GDPR) we regularly review our fundraising practices relating to personal data, with a Fundraising, Marketing and Governance

steering group meeting every quarter. All personal information we hold is treated in a safe, secure, sensitive, and confidential way. We do not buy, share, or sell personal information to third parties for marketing or fundraising purposes.

We use legitimate interest as the legal basis for sending our newsletter and fundraising mailings, which means we send it to people who have shown an interest in St Margaret's by their previous support or interactions with us. Our supporters can opt out of receiving contact from us at any time, and we remind them how they can do this in each correspondence. Our full Privacy Notice and Terms and Conditions are clearly signposted on our website. Any new activities are subject to Data Protection Impact Assessments to ensure the rights of data subjects are not impacted. We also have a complaints procedure should any supporter wish to raise a concern or complain about our fundraising activities. During the year we received one complaint about our lottery programme and five concerns were received relating to fundraising.

### **Trustee Board**

We have a robust governance structure in place with a Board of Trustees responsible for providing strategic direction and policy-setting, as well as ensuring that all activity falls within the charitable objectives outlined in St Margaret's Memorandum and Articles of Association. The trustees are responsible for supervising the management and administration of the charity and recognise their legal responsibility to always act in the best interests of the hospice. During 2021/22 the Board supported the hospice as it continued to navigate the covid pandemic, while finding ways to adjust to new ways of working. Recognising the huge financial challenges of achieving a sustainable break-even position year on year, led to the creation of a new committee to look at a range of workstreams to support change. At the same time the Board continued to review and scrutinise the performance of the funeral business and introduced a new committee tasked with reviewing and investing in the marketing of the business. Through the committee structure the Board were available to support with key decisions that sat outside of the remit of the SLT or outside of agreed budget levels of authorisation, such as new shop leases, large executive decisions around legacy estates or significant contracts.

### **Election and Appointment of Trustees**

The Board appoints new Trustees, based on selection criteria that ensure that the Board has access to a wide range of skills and experience. The recruitment of new Trustees is through a process of advertisement, application, interview, and selection. Under the requirements of the Memorandum and Articles of Association the members of the Board are elected to serve for a period of four years after which they may be re-elected at the next Annual General Meeting (AGM) for one further term of four years. All Trustees are equal members of the Board, who may appoint any Trustee as Chairman and/or Vice Chairman for a maximum period of four years. The Articles stipulate that the Board should have no less than five Trustees and no more than twenty, with meetings requiring 60% of the Trustees in attendance to form a quorum.

Issues are decided by majority vote with the Chairman having any casting vote. The Board meets on a quarterly basis, with at least one away day a year and holds an AGM. As a collective the Board undertakes regular evaluation of the performance of the Chairman, Committee Chairs, and all Trustees, as well as the CEO. Staff from across the organisation are invited to provide presentations at Board meetings to keep Trustees updated and informed of developments and issues. The Articles set out the delegation of the Board's powers to sub-committees each served by an Executive Director from the SLT: Finance; Clinical Quality and Education; Income Generation and Marketing; Human Resources and Remuneration; Transformation; Nominations and Audit & IT. It is constituted that each committee reports regularly to the Trustee Board.

### **Induction and Training**

A formal and comprehensive induction programme is offered to all new Trustees, and updates are offered throughout the period of tenure. Regular performance review meetings are carried out by the

Chair and Vice Chair at which further training and development needs are identified. Board skills are regularly reviewed to provide a broad set of skills and experience. St Margaret's provides Trustees with learning opportunities in the same way as staff and other volunteers.

### **Pay and remuneration of key management**

The pay and remuneration of key management staff is reviewed by the Human Resources and Remuneration Committee. This committee makes recommendations to the Board of Trustees. Job descriptions and person specifications are benchmarked against NHS national role profiles and salaries, comparable hospice organisations within the region and pay data from competitors in healthcare and private sector companies. Internal benchmarking is also conducted to ensure fairness, equality, and consistency. Salaries of medical staff are scrutinised to ensure that they are consistent with national medical pay grades.

### **Risk Management**

The Board and SLT regularly review the major risks to which the charity is exposed. A risk register is in place and is updated and reported against at Board meetings and relevant Committees at least quarterly. This is a live tool used by the SLT to identify what systems or procedures need to be established, or actions taken to mitigate the impact or likelihood of risks. Covid has continued to have a significant impact on the operations of the hospice and the initial risk assessment tool put in place last year has remained and been developed and adjusted in response to changes in the pandemic and associated regulations and guidance. In addition to Covid the following high-level risks were also a key focus in 2021/22:

- Ensuring adequate numbers of high-quality staff recruited and retained across the hospice
- Enhancing cyber-security with the continued shift to digital practices
- Developing plans to ensure financial balance in-year and long-term sustainability
- Reducing the reliance on legacies through the development of a strategic approach to fundraising and a focus on the return on investment for all activities

The Board retain oversight of a system of internal controls through which appropriate approval is required for all transactions and projects. Procedures are in place to ensure compliance with the requirements of external regulatory bodies such as the Care Quality Commission (CQC), Charity Commission, Fundraising Regulator and Gambling Commission as well as ensuring the health and safety of patients, families, staff, volunteers, and visitors to the hospice.

## **Management**

### **Senior Leadership Team**

The Board appoints the Chief Executive Officer (CEO) and supports the appointment process for members of the SLT. In practice, this translates into giving the CEO and SLT clear strategic objectives for the hospice which have demonstrable outcomes and ensuring that the hospice's financial affairs are managed appropriately. The CEO is responsible for the day to day running of the charity and has delegated powers of authority approved by the Board. The CEO delegates decision making powers through the SLT into the organisation.

During 2021/22 we saw several senior leadership changes. Following the departure of our Retail & Commercial Director in October 2021, the retail and fundraising directorates were consolidated. This arrangement is allowing us to assess the benefits of a more integrated and collaborative workforce, who are working more closely to grow income, diversify, and innovate how we generate income to achieve financial sustainability. With the retirement of our Director of Governance and departure of our Director of People & Organisational Development we took the opportunity to reassess and reconfigure teams. The Director of Governance was not replaced but the Governance team was strengthened to focus on clinical quality, patient experience and data protection. This led to the appointment of a dedicated Data Protection Officer, Head of Governance, and Head of Clinical Quality and Patient Experience. The Clinical Director was appointed deputy CEO and at the end of the year, we

welcomed a new Financial Director, who has made an immediate impact reviewing our financial position assessing risks and opportunities. A new Director of Human Resources & Organisational Development was also appointed by the end of the financial year and will start in post during 2022. This restructured SLT will lead on and be accountable for implementing the new strategy.

### **Staff & Volunteers**

We have a workforce of 325 people. As well as our frontline staff of doctors, nurses and therapists we have a team working in the background to keep the hospice operational – from the housekeeping team who ensure every inch of the hospice is clean and safe; the kitchen staff who provide delicious and nutritious meals to our patients, their carers and our staff; the estates team who service and protect our sites to keep us functioning and secure; and there are those who seek ways to generate income and manage resources to help pay for all of this activity.

Information about the hospice's aims and activities is communicated to staff and volunteers through briefings, meetings, newsletters, and emails. Staff and volunteers are expected to be aware of, and work in accordance with, the hospice values, and these are displayed throughout hospice premises, are integral to the recruitment and onboarding process through to induction and ongoing training. Volunteers have been central to the success of St Margaret's Hospice since its inception. As of March 2022, there were over 600 volunteers supporting the hospice in a variety of roles, including on the In-patient Unit, in our shops, in the offices and out in the community.

### **Employment policy**

St Margaret's is committed to providing equal opportunities in employment and to avoiding unlawful discrimination in employment or to patients, visitors, contractors, trustees, volunteers, and staff from other organisations working with the hospice, as well as patients seeking to use the facilities or services provided by the hospice. We have an Equal Opportunities policy in place.

### **Organisational management**

A Staff Council meets quarterly and is made up of representatives of all departments to strengthen opportunities for constructive dialogue between staff and the SLT. Representatives bring the views of staff to the attention of directors and pass on key messages to their teams. Following Staff Council meetings, minutes are made available on the intranet and key messages are communicated via appropriate communication channels such as a Staff and Volunteer Newsletter. St Margaret's is committed to working to the highest standards of integrity and honesty. All staff, both paid and unpaid, are expected to maintain the same standards. Staff are encouraged to report any risk, wrongdoing or danger that falls short of St Margaret's principles, in line with our whistleblowing policy.

## Reference and administrative details

### Charity Details

Charity	St Margaret's Somerset Hospice Ltd
Charity registration number	279473
Company registration number	01471345
Registered Office Address	Heron Drive, Bishops Hull, Taunton, Somerset TA1 5HA

### Key People & Advisors

The SLT who has served during the period of this report are:

Chief Executive	Mrs A Lee
Finance Director and Company Secretary	Mrs S Goodman (until 20/08/21)
Finance Director and Company Secretary	Mr D Slack (from 21/03/22)
Clinical Director and Deputy CEO	Mrs J Milliken
Retail Director	Mr J Aizlewood (until 30/09/21)
Director of People & Organisational Development	Mrs L Price (until 31/07/21)
Governance Director	Mrs H McKegney (until 09/09/21)
Director of Fundraising and Communications	Mrs J Hall (interim resp. for retail from 01/10/21)
Information Technology Director	Mr N Middleton
Consultant in Palliative Medicine	Dr K Shorthose

### External Organisations

<b>Principal Bankers:</b>	Barclays Bank plc 46 North Street, Taunton Somerset, TA11LZ
<b>Principal Solicitors:</b>	Clarke Willmott Solicitors Blackbrook Gate Blackbrook Park Avenue Taunton, Somerset, TA1 2PG
<b>Auditor:</b>	AC Mole, Chartered Accountants Stafford House Blackbrook Park Avenue Taunton, Somerset, TA1 2PX
<b>Investment Fund Managers:</b>	Rathbones Investment Management Ltd 8 Finsbury Circus London, W1J 5FB

### Trustees

The Trustees who served the Charity during the period were as follows:

Mr J Langdon (Chair)	Nominations Committee (Chair), Finance Committee, Income Generation & Marketing Committee
Mrs G Atherton	Audit Committee, Human Resources & Remuneration Committee (Chair) (until AGM/12/21)
Mr P Colton	Income Generation & Marketing Committee (Chair), Nominations Committee, Transformation Committee
Dr A Grove (Vice Chair)	Clinical Quality & Education Committee (Chair), Nominations Committee
Mr K Jones	Human Resources & Remuneration Committee
Ms N McClean	Finance Committee (Chair)
Mr T Samuel (Vice Chair)	Audit Committee, Transformation Committee (Chair)
Mr P Tucker	Audit Committee (Chair), Clinical Quality & Education Committee
Mr R Cridge	Income Generation & Marketing Committee, Funeral Marketing Committee
Rev. T Treanor	Human Resources & Remuneration Committee, Funeral Marketing Committee
Mrs E Webber	Income Generation & Marketing Committee, Funeral Marketing Committee
Dr N Kennedy	Clinical Quality & Education Committee (from 23/04/21)
Mr J Adams	Audit Committee, Transformation Committee (from 23/04/21)



## Statement of Trustees' responsibilities

The Trustees, who are also Directors of St Margaret's Somerset Hospice for the purposes of company law, are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the financial statements in accordance with both applicable law and prevailing United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 charitable company will continue in business.

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

In so far as the Trustees are aware:

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

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.

### Authorisation of Financial Statements, Trustees' Report and Strategic Report

The financial statements, which incorporate the Trustees' Report, the Trustees' Responsibilities, and the Strategic Report, were approved by the Board of Trustees on 2022 and signed on their behalf by:

Signed  .....

Date 28/9/22 .....

Name Jonathan Langdon .....

## Audit Report

### Independent Auditor's Report to the Members of St Margaret's Somerset Hospice

We have audited the financial statements of St Margaret's Somerset Hospice (the "parent charitable company") and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated Statement of Financial Activities, the consolidated and parent company Statements of Financial Position, Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the parent charitable company's affairs as at 31 March 2022 and of the group's 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

### Other information

The other information comprises the information included in the annual report, including the trustees' 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' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report (incorporating the strategic report and the directors' 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 by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the Trustees**

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

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

#### **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 is detailed below:

#### **Identifying and assessing potential risks of material misstatement due to irregularities**

We considered the following when identifying and assessing risks of material misstatement due to irregularities, including fraud and non-compliance with laws and regulations:

- the legal and regulatory framework in which the group operates
- the nature of the sector in which the group operates
- the control environment and controls established to mitigate such risks
- the results of our enquiries of management about their identification and assessment of risks of irregularities
- discussions with the audit engagement team about where fraud might occur
- the incentives for fraud.

Laws and regulations which are considered to be significant to the group include those relating to the requirements of financial reporting framework FRS102, the Charities Act 2011, the Companies Act 2006, UK tax legislation, employment law and health and safety. In addition, we consider other laws and regulation which may not directly impact the financial statements but may impact on the operation of the group.

As a result of these procedures we concluded, in accordance with International Auditing Standards, that a risk in relation to the potential for management override of controls existed.

#### **Audit responses to risks identified**

We undertook audit procedures to respond to the risks identified and designed our audit testing to respond to these risks. The additional procedures we undertook included the following:

- gaining an understanding of the group's procedures for ensuring compliance with laws and regulations
- testing the appropriateness of journal entries and other adjustments
- considering whether accounting estimates were indicative of potential bias
- considering whether any transactions arose outside the normal course of business
- making enquiries of management
- corroborating our enquiries through review of Board Minutes and correspondence.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit.

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

#### **Use of our report**

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

**Alexandra Shore FCA DChA Senior Statutory Auditor**  
**For and on behalf of A C Mole, Chartered Accountants and Statutory Auditor**  
**Stafford House**  
**Blackbrook Park Avenue Taunton**  
**Somerset TA1 2PX**

Alexandra Shore

Date: 28<sup>th</sup> September 2022



## Financial Statements

### Consolidated Statement of Financial Activities for the Year ended 31 March 2022

(Incorporating a consolidated income and expenditure account)

	Note	Unrestricted £	Restricted £	Total Funds 2022 £	Total Funds 2021 £
<b>Income from:</b>					
Donations and Legacies	1	4,536,729	172,455	4,709,184	4,353,870
Other Trading Activities	2	5,855,394	-	5,855,394	2,515,678
Investments	3	268,817	-	268,817	183,428
Charitable Activities	4	29,124	3,611,068	3,640,192	4,894,791
Other Income	5	150,946	-	150,946	1,148,442
		<b>10,841,010</b>	<b>3,783,523</b>	<b>14,624,533</b>	<b>13,096,209</b>
<b>Expenditure on:</b>					
Raising Funds	6	(5,445,401)	-	(5,445,401)	(4,361,455)
Charitable activities	7	(3,288,114)	(3,949,768)	(7,237,882)	(6,896,718)
		<b>(8,733,515)</b>	<b>(3,949,768)</b>	<b>(12,683,283)</b>	<b>(11,258,173)</b>
Net gains on investments	9	500,335	-	500,335	1,093,240
<b>Net income/(deficit) and movement in funds</b>	10	<b>2,607,830</b>	<b>(166,245)</b>	<b>2,441,585</b>	<b>2,931,276</b>
<b>Reconciliation of Funds:</b>					
Total Funds brought forward		18,286,384	2,628,676	20,915,060	17,983,784
Total Funds carried forward		<b>20,894,214</b>	<b>2,462,431</b>	<b>23,356,645</b>	<b>20,915,060</b>

## Consolidated Statement of Financial Position as of 31 March 2022

Company registration number: 01471345

	Note	Total Funds 2022 £	Total Funds 2021 £
<b>Fixed Assets</b>			
Intangible Assets	12	328,900	325,250
Tangible assets	13	7,206,130	7,590,506
Investments	9	8,280,173	7,654,648
		<b>15,815,203</b>	<b>15,570,404</b>
<b>Current Assets</b>			
Stocks	14	168,801	192,834
Debtors	16	3,914,568	3,137,920
Cash at bank and in hand		4,464,797	4,747,069
		<b>8,548,166</b>	<b>8,077,823</b>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	17	(1,006,724)	(2,733,167)
Net current assets		7,541,442	5,344,656
Total assets less current liabilities		23,356,645	20,915,060
<b>Total net assets</b>		<b>23,356,645</b>	<b>20,915,060</b>
<b>The Funds of the Group:</b>			
Restricted Income Funds	21	2,462,431	2,628,676
Unrestricted Income Funds	22	20,894,214	18,286,384
<b>Total Consolidated Funds</b>		<b>23,356,645</b>	<b>20,915,060</b>

The Financial Statements on pages 24 to 56 were approved by the Board and authorised for issue on

28 September 2022 and are signed on its behalf by

Signed Jonathan Langdon

Date 28/9/22

Name Jonathan Langdon

## Charity Statement of Financial Position as of 31 March 2022

Company registration number: 01471345

	Note	Total Funds 2022 £	Total Funds 2021 £
<b>Fixed Assets</b>			
Intangible Assets	12	328,900	325,250
Tangible assets	13	7,206,130	7,480,589
Investments	9	8,280,673	7,655,148
		<b>15,815,703</b>	<b>15,460,987</b>
<b>Non-Current Assets</b>			
Debtors due after more than one year	15	236,799	320,590
<b>Current Assets</b>			
Debtors	16	3,903,392	3,128,761
Cash at bank and in hand		4,429,883	4,695,150
		<b>8,333,275</b>	<b>7,823,911</b>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	17	(1,002,042)	(2,716,270)
Net current assets		7,331,233	5,107,641
Total assets less current liabilities		23,383,735	20,889,218
<b>Total net assets</b>		<b>23,383,735</b>	<b>20,889,218</b>
<b>The Funds of the Charity:</b>			
Restricted Income Funds	21	2,462,431	2,628,676
Unrestricted Income Funds	22	20,921,304	18,260,542
<b>Total Charity Funds</b>		<b>23,383,735</b>	<b>20,889,218</b>

The Financial Statements on pages 24 to 56 were approved by the Board and authorised for issue on

20 September 2022 and are signed on its behalf by

Signed Jonathan Langdon  
Date 28/9/22  
Name Jonathan Langdon

## Consolidated Statement of Cashflows for the year ended 31 March 2022

		2022 £	2021 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	26	1,772,596	2,235,923
<b>Net cash provided by operating activities</b>		<b>1,772,596</b>	<b>2,235,923</b>
<b>Cash flows from Investing Activities</b>			
Dividends, interest and rent from investments		268,400	183,028
Proceeds from the sale of property, plant, and equipment		417	400
Purchase of property, plant, and equipment		(159,003)	(159,761)
Purchase of intangible assets		(39,493)	(84,384)
Purchase of investments		(1,105,994)	(1,360,232)
Disposal of investments		1,091,715	1,112,630
Movement in cash held for investment		(110,910)	152,956
<b>Net cash provided by/(used in) investing activities</b>		<b>(54,868)</b>	<b>(155,363)</b>
<b>Cash flows from financing activities</b>			
Bank Loan (repaid)/received		(2,000,000)	2,000,000
<b>Net cash provided by financing activities</b>		<b>(2,000,000)</b>	<b>2,000,000</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(282,272)</b>	<b>4,080,560</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>4,747,069</b>	<b>666,509</b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>4,464,797</b>	<b>4,747,069</b>

## Accounting policies

### Company Information

St Margaret's Somerset Hospice is a company limited by guarantee, incorporated with Companies House (England and Wales). The registered office is Heron Drive, Bishops Hull, Taunton, Somerset TA1 5HA. St. Margaret's Somerset Hospice constitutes a public benefit company as defined by FRS102. The company is a registered charity with the charitable purpose of: *Promoting the relief of sickness by such charitable means as the Association shall from time to time think fit.*

### Basis of Accounting

These financial statements have been prepared under the historical cost convention (except for some investments which are included at market value) and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

### Critical Accounting Estimates and Judgements

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses.

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 company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Trustees consider that the following critical accounting estimates and judgements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### Recoverability of inter-group balances (charity accounts)

Determining whether balances due from subsidiaries are recoverable requires an estimation of the value in use of the cash generating units from which the balances are due. The value in use calculation requires the group to estimate future cash flows expected to arise from the cash-generating unit. Key assumptions within these estimates include the future performance of the subsidiary businesses, the long-term growth rate, and a suitable discount rate in order to calculate present value.

### Legacy income

Under the FRS102 SORP the group and charity are required to recognise legacy income when it is probable that it will be received. This may include making an estimate of the fair value of the amount receivable. It is possible that the actual amount received differs from these estimates, particularly in the case where the charity is the beneficiary of a residual legacy.

Legacy income recognised within the financial statements totalled £3,274,212 (2021: £2,716,365).

### Going Concern

The financial statements have been prepared on a going concern basis. The Trustees consider the Group to have adequate resources to manage the risks the Group faces successfully, despite the current economic uncertainties.

As set out on page 13, following the year end the Trustees reached the decision to cease trading St Margaret's Funerals Ltd. As a result, this subsidiary is not considered to be a going concern in its own right, and any assets and liabilities have been included in the Group accounts within current assets and liabilities at their net realisable values.



**Consolidation**

The group Financial Statements consolidate the results of the Parent Company and its wholly owned subsidiary undertakings for the period ended 31 March 2022 using the acquisition method of accounting. Intra-group transactions and profits are eliminated fully on consolidation.

A separate statement of financial activities, dealing with the results of the Charitable Company, has not been presented as permitted by section 408 of the Companies Act 2006. The surplus for the charity (restricted and unrestricted) for the year was £2,494,517 (2021: £2,976,816).

**Fixed Asset Investments**

In accordance with the Charities SORP FRS 102 investments, other than those held for sale, are stated at market value, and treated as fixed assets. Any gains or losses on valuation are recognised in the Statement of Financial Activity.

**Investment in Subsidiary Undertakings**

Investments in subsidiary undertakings are initially recognised at cost and subsequently at cost less accumulated impairment in the charity's balance sheet.

**Designated reserves**

The Trustees may, from time to time, designate reserves to cover specific projects and other potential commitments.

**Fund Accounting**

Funds held by the Charity are either:

- Unrestricted funds which comprise those funds which the Trustees are free to use in accordance with the charitable objects.
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the Charity.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Expenditure**

Expenditure is recognised when a liability is incurred and includes any irrecoverable VAT. Contractual arrangements are recognised as goods or services are supplied.

Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with the operation of the hospice and the achievement of its objects and include both the direct costs and support costs relating to these activities.

**Fixed Assets**

All fixed assets are initially recorded at cost and subsequently at cost less depreciation and any impairment. The group and company have applied the transitional arrangements of Section 35 of FRS102 and used a previous valuation as deemed cost at 1 April 2015.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

- Freehold property buildings - 2% on a straight-line basis
- Fixtures, fittings, and equipment – On a straight-line basis over 3 – 4 years
- Motor vehicles – On a straight-line basis over 4 years
- Leasehold property improvements – On a straight-line basis over 4 years
- Assets under construction – No depreciation until the asset is available for use

Depreciation relating to St Margaret's Funerals Ltd is in line with the Franchise term and is as follows:

- Fixtures, fittings, and equipment - On a straight-line basis over 3 - 10 years
- Motor vehicles - On a straight-line basis over 4 years
- Leasehold property improvements - On a straight-line basis over 10 years

### **Intangible Assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are recognised at cost less any accumulated depreciation and any accumulated impairment losses.

Intangible assets are being amortised over the estimated useful economic life of ten years. Goodwill represents the goodwill of the consideration over the fair value of the net identifiable assets acquired.

Intangible assets under construction are initially measured at cost. Amortisation is charged once the asset is in use and is amortised over its useful economic life.

### **Investment Properties**

Investment properties are initially recognised at cost and subsequently measured at their open market value. Changes in their value are recognised in the Statement of Financial Activities for the year.

### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. The donated goods received for sale are recognised when sold and the Charity applies the FRS 102 exemption to the fair value being recognised on receipt. This is due to the impracticality and costs of recognition of value of goods on receipt.

### **Operating Lease Agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight-line basis over the period of the lease.

### **Income**

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, when receipt is considered probable, and the amount can be measured with sufficient reliability.

Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Income from commercial trading activities is recognised as earned as the related goods and services are provided.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified. The accounting policy applied is that receipt of a legacy is recognised when:

- There has been grant of probate; and

- The executors have informed St. Margaret's that there are sufficient assets in the estate, after settling liabilities, to pay the legacy; and
- Any conditions attached to the legacy are either within the control of the charity or have been met.

This is in accordance with the Charities SORP (FRS102) Guidance and FRS 102.

Legacies which have been recognised but not yet received are included within debtors in legacy accrued income.

Investment income is recognised on a receivable basis.

Government grants are included within 'Other Income' and are recognised when there is entitlement, when receipt is considered probable, and the amount can be measured with sufficient reliability.

#### **Gifts in Kind**

Gifts in kind are included within voluntary income and are included at their market value at the date of the gift, with the exception of goods donated for sale in the Charity's shops which are accounted for when sold.

#### **Pension Scheme Costs**

The Charity operates a defined contribution pension scheme and participates in an NHS pension for those eligible. The pension charge represents the amounts payable by the Charity to the fund in respect of the year. The Charity previously had a liability for a multi-employer defined benefit scheme which has now ceased.

#### **Financial Instruments**

The charity only enters into basic financial instruments that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors together with loans to related parties. Debt instruments, such as trade debtors and creditors, are initially measured at transaction price and subsequently measured at amortised cost.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

#### **Volunteers and Donated Services and Facilities**

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Trustees' Annual Report.

#### **Impairment of Non-Financial Assets**

**Goodwill** - Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is an indication that goodwill is impaired.

**Intangible and Tangible Fixed Assets and Investments in Subsidiaries** – These assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For impairment testing, the recoverable amount (being the higher of the fair value less cost to sell and value in use) is determined on an individual asset basis unless the asset does not generate independent cash flows in which case the recoverable amount is determined for the cash generating unit to which the asset belongs.

Any difference between the carrying value and the recoverable value is recognised as an impairment expense in the statement of financial activities.

#### **Post Balance Sheet Events**

Details of post balance sheet events are set out in note 30 to the financial statements.

## Notes to the financial statements

### 1. Donations and Legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Private donations and 'in memory'	1,201,677	-	1,201,677	1,283,845	-	1,283,845
Legacies	3,207,848	66,364	3,274,212	1,360,932	1,355,433	2,716,365
Revenue Grants	127,204	106,091	233,295	170,560	183,100	353,660
	<b>4,536,729</b>	<b>172,455</b>	<b>4,709,184</b>	<b>2,815,337</b>	<b>1,538,533</b>	<b>4,353,870</b>

Included in the above legacies is £2,195,108 (2021: £2,076,005) which has been recognised in line with accounting policy, which had not been received by the Charity at the year end.

### 2. Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Charity Shop income	4,960,367	-	4,960,367	1,468,454	-	1,468,454
Lottery income	682,564	-	682,564	768,719	-	768,719
Funeral Home income	170,342	-	170,342	215,521	-	215,521
Ancillary Trading	42,121	-	42,121	62,984	-	62,984
	<b>5,855,394</b>	<b>-</b>	<b>5,855,394</b>	<b>2,515,678</b>	<b>-</b>	<b>2,515,678</b>

### 3. Income from Investments

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Dividend income	172,247	-	172,247	136,828	-	136,828
Bank Interest						
Receivable	3,925	-	3,925	2,486	-	2,486
Rents received	92,089	-	92,089	43,568	-	43,568
Birds Farm & Investment property	139	-	139	146	-	146
Gain on disposal of a fixed asset held for the use of the Charity	417	-	417	400	-	400
	<b>268,817</b>	<b>-</b>	<b>268,817</b>	<b>183,428</b>	<b>-</b>	<b>183,428</b>

#### 4. Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
NHS Primary Care Trust	29,000	2,798,812	2,827,812	-	2,340,668	2,340,668
Hospice UK – Covid Funding	-	650,656	650,656	-	2,384,287	2,384,287
Other Charitable Income	124	161,600	161,724	28,065	141,771	169,836
	<b>29,124</b>	<b>3,611,068</b>	<b>3,640,192</b>	<b>28,065</b>	<b>4,866,726</b>	<b>4,894,791</b>

#### 5. Other Income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Government Grant - Retail, Hospitality and Leisure Grant Fund	106,865	-	106,865	400,703	-	400,703
Government Grant - Coronavirus Job Retention Scheme	13,550	-	13,550	716,875	-	716,875
Other income	30,531	-	30,531	30,864	-	30,864
	<b>150,946</b>	<b>-</b>	<b>150,946</b>	<b>1,148,442</b>	<b>-</b>	<b>1,148,442</b>



## 6. Expenditure on Raising Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Costs of generating voluntary income	667,486	-	667,486	647,219	-	647,219
Shop costs	4,062,238	-	4,062,238	3,173,156	-	3,173,156
Lottery costs	279,388	-	279,388	221,029	-	221,029
Funeral Home costs	388,272	-	388,272	276,839	-	276,839
Investment						
Management Fees	48,017	-	48,017	43,212	-	43,212
	<b>5,445,401</b>	<b>-</b>	<b>5,445,401</b>	<b>4,361,455</b>	<b>-</b>	<b>4,361,455</b>

## Allocation of Support Costs

	Direct Costs £	Support Costs £	Total Costs 2022 £	Direct Costs £	Support Costs £	Total Costs 2021 £
Voluntary Income						
Generation costs	528,385	139,101	667,486	516,717	130,502	647,219
Shop costs	3,472,344	589,894	4,062,238	2,848,393	324,763	3,173,156
Lottery costs	259,036	20,352	279,388	200,845	20,184	221,029
Funeral Home costs	358,137	30,135	388,272	250,023	26,816	276,839
Investment						
Management Fee	48,017	-	48,017	43,212	-	43,212
	<b>4,665,919</b>	<b>779,482</b>	<b>5,445,401</b>	<b>3,859,190</b>	<b>502,265</b>	<b>4,361,455</b>

## 7. Costs of Charitable Activities by Fund Type

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£	£	£	£
In-patient unit	1,787,862	2,186,014	3,973,876	65,166	3,617,816	3,682,982
Community Care	1,231,311	1,763,754	2,995,065	47,033	2,910,391	2,957,424
Education	268,941	-	268,941	256,312	-	256,312
	<b>3,288,114</b>	<b>3,949,768</b>	<b>7,237,882</b>	<b>368,511</b>	<b>6,528,207</b>	<b>6,896,718</b>

	Direct Costs	Support Costs	Total Costs 2022	Direct Costs	Support Costs	Total Costs 2021
	£	£	£	£	£	£
In-patient unit	3,240,885	732,991	3,973,876	2,968,027	714,955	3,682,982
Community Care	2,305,428	689,637	2,995,065	2,258,769	698,655	2,957,424
Education	202,464	66,477	268,941	195,773	60,539	256,312
	<b>5,748,777</b>	<b>1,489,105</b>	<b>7,237,882</b>	<b>5,422,569</b>	<b>1,474,149</b>	<b>6,896,718</b>

## 8. Allocation of support costs

	Shop Costs	Lottery	Funeral Home Costs	Costs of Generating Voluntary Income	In-patient Unit	Community Care	Education	Total 2022	Total 2022
	£	£	£	£	£	£	£	£	£
Staff costs/salaries	402,581	13,890	20,566	94,932	500,240	470,652	45,367	1,548,228	1,342,253
General Office	62,595	2,160	3,198	14,760	77,779	73,178	7,053	240,723	244,037
Finance Office	4,989	172	255	1,176	6,199	5,833	563	19,187	24,129
Information Technology	108,058	3,728	5,520	25,481	134,270	126,329	12,177	415,563	284,500
Legal/professional	4,153	143	212	979	5,161	4,855	469	15,972	49,928
Audit	7,518	259	384	1,773	9,342	8,790	848	28,914	31,567
	<b>589,894</b>	<b>20,352</b>	<b>30,135</b>	<b>139,101</b>	<b>732,991</b>	<b>689,637</b>	<b>66,477</b>	<b>2,268,587</b>	<b>1,976,414</b>

Support costs are calculated according to the level of payroll costs per activity area.

## 9. Fixed Asset Investments Group

<b>Net gains/(losses) on investments Group &amp; Charity</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net unrealised investment gains on disposals of investments	504,388	10,064
Net realised (losses)/ gains on investments	(4,053)	1,083,176
<b>Net gains on investments</b>	<b>500,335</b>	<b>1,093,240</b>
<b>Listed Investments Group &amp; Charity</b>		
<b>Movement in market value:</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Market Value at 1 April	7,514,648	6,326,762
Acquisitions at cost	1,105,994	1,360,232
Disposals	(1,091,715)	(1,112,630)
Net investments gains	443,680	1,093,240
Movement in cash held for investment	110,910	(152,956)
<b>Market Value at 31 March</b>	<b>8,083,517</b>	<b>7,514,648</b>
Historical Cost	6,060,410	5,709,730
<b>Investment Properties Group &amp; Charity</b>		
<b>Market Value at 31 March</b>	<b>196,656</b>	<b>140,000</b>

The fair value of investment properties is based upon the market value.  
Properties are periodically valued by an external professional valuer.

<b>Investments in subsidiaries Charity</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At 1 April	500	500
Acquisitions at cost	-	-
<b>At 31 March</b>	<b>500</b>	<b>500</b>

## 9. Continued

### Analysis of investments at 31 March 2022 between funds

Group	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
<b>Listed Investments</b>			
UK quoted fixed interest securities	1,063,547	1,063,547	1,029,577
Overseas fixed interest securities	580,370	580,370	598,830
UK quoted shares	1,678,490	1,678,490	1,618,989
	<u>3,322,407</u>	<u>3,322,407</u>	<u>3,247,396</u>
<b>Other Investments</b>			
UK Investment property	196,656	196,656	140,000
Overseas investments	2,722,419	2,722,419	2,555,071
Other UK investments	1,761,185	1,761,185	1,545,585
UK cash	277,506	277,506	166,596
<b>TOTAL</b>	<u><b>8,280,173</b></u>	<u><b>8,280,173</b></u>	<u><b>7,654,648</b></u>

### Analysis of investments at 31 March 2022 between funds

Charity	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
<b>Listed Investments</b>			
UK quoted fixed interest securities	1,063,547	1,063,547	1,029,577
Overseas fixed interest securities	580,370	580,370	598,830
UK quoted shares	1,678,490	1,678,490	1,618,989
	<u>3,322,407</u>	<u>3,322,407</u>	<u>3,247,396</u>
<b>Other Investments</b>			
UK Investment property	196,656	196,656	140,000
UK Group undertakings	500	500	500
Overseas investments	2,722,419	2,722,419	2,555,071
Other UK investments	1,761,185	1,761,185	1,545,585
UK cash	277,506	277,506	166,596
<b>TOTAL</b>	<u><b>8,280,673</b></u>	<u><b>8,280,673</b></u>	<u><b>7,655,148</b></u>

## 10. Net Income/(Expenditure)

This is stated after charging:

	2022	2021
	£	£
Staff pension contributions	683,449	714,106
Depreciation	432,383	509,250
Amortisation	35,843	19,876
Impairment of stock – assets held for sale	87,881	-
Operating lease costs	533,728	554,754
Redundancy costs	-	36,998
Audit Fees payable to the Company's auditor:		
- Audit of group and parent consolidated accounts	13,009	15,662
- Audit of the Company's subsidiaries	5,650	5,650
- Taxation services	3,640	3,640
- Other services	6,615	6,615
Total amount payable to the Company's auditor	28,914	31,567

During the financial year to March 2022 a provision was recognised within the Charity's income statement in relation to amounts due from subsidiary undertakings totalling £127,453 (2020/21: £508,348). The provision is not included within the consolidated statement of financial activities as it eliminates on consolidation.

## 11. Staff Costs and Emoluments

Total staff costs were as follows:

	2022	2021
	£	£
Wages & Salaries	6,652,668	6,366,232
Social Security	565,045	524,170
Other pension costs	683,449	714,106
	<u>7,901,162</u>	<u>7,604,508</u>

During the year no Trustees were reimbursed expenses for expenses (2021: £189). No trustees received any remuneration in either year. The average number of employees (headcount) during the year was 324 (2021: 329).

The full-time equivalent staff numbers were as follows:

	2022	2021
Clinical	102	108
Education staff	3	3
Fundraising, charity shops and lottery staff	83	56
Administration staff	35	36
	<u>223</u>	<u>203</u>

The number of employees whose emoluments (excluding employer national insurance) exceeded £60,000 for the year and fell within the following bands, were as follows:

£60,000 - £69,999	-	4
£70,000 - £79,999	5	3
£80,000 - £89,999	-	-
£90,000 - £99,999	1	1
	<u>6</u>	<u>8</u>

Salaries and benefits paid to key management personnel during the year, excluding Trustees, amounted to £651,065 (2021: £727,250). There is no accrual for holiday pay as the organisation's holiday year ends on 31st March and is enforced. Exceptional circumstances are considered by the CEO on a case-by-case basis.



## 12. Intangible Fixed Assets Group

	Goodwill £	Software £	Total £
<b>Cost</b>			
As at 1 April 2021	222,691	346,442	569,133
Additions	-	39,493	39,493
Disposals	-	-	-
As at 31 March 2022	<b>222,691</b>	<b>385,935</b>	<b>608,626</b>
<b>Amortisation</b>			
As at 1 April 2021	222,691	21,192	243,883
Charge for the year	-	35,843	35,843
Disposals	-	-	-
As at 31 March 2022	<b>222,691</b>	<b>57,035</b>	<b>279,726</b>
<b>Net Book Value</b>			
As at 31 March 2022	-	<b>328,900</b>	<b>328,900</b>
As at 31 March 2021	-	<b>325,250</b>	<b>325,250</b>

## Charity

	Goodwill £	Software £	Total £
<b>Cost</b>			
As at 1 April 2021	-	346,442	346,442
Additions	-	39,493	39,493
Disposals	-	-	-
As at 31 March 2022	-	<b>385,935</b>	<b>385,935</b>
<b>Amortisation</b>			
As at 1 April 2021	-	21,192	21,192
Charge for the year	-	35,843	35,843
Disposals	-	-	-
As at 31 March 2022	-	<b>57,035</b>	<b>57,035</b>
<b>Net Book Value</b>			
As at 31 March 2022	-	<b>328,900</b>	<b>328,900</b>
As at 31 March 2021	-	<b>325,250</b>	<b>325,250</b>

**13. Tangible Fixed Assets Group**

	Freehold Property & Assets under Construction £	Fixtures, Fittings & equipment £	Motor Vehicles £	Leasehold Property Improvements £	Total £
<b>Cost</b>					
As at 1 April 2021	10,343,159	4,329,829	84,598	1,124,759	15,882,345
Additions	14,461	123,015	15,600	5,927	159,003
Disposals	-	-	(3,850)	-	(3,850)
Transfer to Current Assets	-	(97,828)	(19,110)	(48,120)	(165,058)
<b>As at 31 March 2022</b>	<b>10,357,620</b>	<b>4,355,016</b>	<b>77,238</b>	<b>1,082,566</b>	<b>15,872,440</b>
<b>Depreciation</b>					
As at 1 April 2021	3,246,273	3,978,638	76,270	990,658	8,291,839
Charge for the year	200,190	172,731	3,890	55,572	432,383
Disposals	-	-	(3,850)	-	(3,850)
Impairment	-	-	-	-	-
Transfer to Current Assets	-	(28,742)	(4,160)	(21,160)	(54,062)
<b>As at 31 March 2022</b>	<b>3,446,463</b>	<b>4,122,627</b>	<b>72,150</b>	<b>1,025,070</b>	<b>8,666,310</b>
<b>Net Book Value</b>					
As at 31 March 2022	6,911,157	232,389	5,088	57,496	7,206,130
As at 31 March 2021	7,096,886	351,191	8,328	134,101	7,590,506

**Charity**

	Freehold Property & Assets under Construction £	Fixtures, Fittings & equipment £	Motor Vehicles £	Leasehold Property Improvements £	Total £
<b>Cost</b>					
As at 1 April 2021	10,343,159	4,229,075	81,088	1,076,639	15,729,961
Additions	14,461	123,015	-	5,927	143,403
Disposals	-	-	(3,850)	-	(3,850)
<b>As at 31 March 2022</b>	<b>10,357,620</b>	<b>4,352,090</b>	<b>77,238</b>	<b>1,082,566</b>	<b>15,869,514</b>
<b>Depreciation</b>					
As at 1 April 2021	3,246,273	3,955,845	73,345	973,909	8,249,372
Charge for the year	200,190	163,856	2,655	51,161	417,862
Disposals	-	-	(3,850)	-	(3,850)
<b>As at 31 March 2022</b>	<b>3,446,463</b>	<b>4,119,701</b>	<b>72,150</b>	<b>1,025,070</b>	<b>8,663,384</b>
<b>Net Book Value</b>					
As at 31 March 2022	6,911,157	232,389	5,088	57,496	7,206,130
As at 31 March 2021	7,096,886	273,230	7,743	102,730	7,480,589

#### 14. Stocks

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
New goods purchased for resale	145,466	192,834	-	-
Assets held for sale	23,335			
	<u>168,801</u>	<u>192,834</u>	<u>-</u>	<u>-</u>

#### 15. Debtors due after more than one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Amounts due from subsidiary undertakings	-	-	236,799	320,590
	<u>-</u>	<u>-</u>	<u>236,799</u>	<u>320,590</u>

Determining whether balances due from subsidiaries are recoverable requires an estimation of the value in use of the cash generating units from which the balances are due. The value in use calculation requires the group to estimate future cash flows expected to arise from the cash-generating unit. Key assumptions within these estimates include the future performance of the business, the long-term growth rate and a suitable discount rate in order to calculate present value. Performance of the funerals business has been seriously hampered by Covid in the two years to 31 March 2022 and the St Margaret's Board decided in July 2022 that the business should cease trading. The Trustees have therefore recognised a £635,891 (2021: £508,348) impairment provision in the accounts to provide for the full balance owed by St Margaret's Funerals and Hospice Funerals LLP to reflect the likely amount recoverable.

#### 16. Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade Debtors	125,239	107,711	118,563	105,257
Other Debtors	434,553	214,480	434,553	212,419
Legacy accrued income	2,195,108	2,076,005	2,195,108	2,076,005
Prepayments and accrued income	1,159,668	739,724	1,155,168	735,080
	<u>3,914,568</u>	<u>3,137,920</u>	<u>3,903,392</u>	<u>3,128,761</u>

#### 17. Creditors: Amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank Loan	-	2,000,000	-	2,000,000
Trade Creditors	437,188	153,262	439,913	147,473
Prepaid Lottery subscriptions	86,572	88,067	86,572	88,067
Accruals	263,184	279,556	262,632	277,322
Amounts due to subsidiary undertakings	-	-	200	200
Taxation and Social Security	136,667	130,169	136,667	130,169
Other Creditors	83,113	82,113	76,058	73,039
	<u>1,006,724</u>	<u>2,733,167</u>	<u>1,002,042</u>	<u>2,716,270</u>

## 18. Loans

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year or on demand:		
Bank loan	-	2,000,000

Included within bank loans in 2021 was a CBILS loan taken out due to the Covid-19 pandemic. This loan carried interest at a rate of 2.75% and was repayable by a single payment 12 months after the date of drawing the loan

The loan was fully repaid on 10 June 2021.

## 19. Secured debts

The bank loan was secured by way of a first fixed charge over all land, property and assets present and future including all securities, goodwill, uncalled capital, buildings, intellectual property rights, trade secrets, and all other debts, right, title benefit and interest in fixed charge and deposit accounts, including the benefit of all instruments, guarantees, charges, pledges and other rights available as security in respect of any asset itself subject to a fixed charge in favour of the bank. A first floating charge was also in place over the present and future undertaking and assets of whatever type and wherever located.

This charge was satisfied on 16 June 2021.

## 20. Commitments under Operating Leases

	Property 2022 £	Equipment 2022 £	Property 2021 £	Equipment 2021 £
Not later than one year	360,381	12,008	385,769	19,040
Later than one year, not later than five years	521,378	10,165	544,354	20,011
Later than five years	32,950	-	50,416	-
	<u>914,709</u>	<u>22,173</u>	<u>980,539</u>	<u>39,051</u>

Figures detail the total minimum lease payments due over the lease term, based upon when payments are due.

**21. Restricted Income Funds**  
**Charity/Group**

	Balance at 1 April 2021	Income	Expenditure	Balance at 31 March 2022
	£	£	£	£
NHS Grant Provision	-	2,798,812	(2,798,812)	-
Yeovil Appeal	1,419,278	-	(40,520)	1,378,758
Taunton Appeal	993,355	-	(26,847)	966,508
Trusts, DOH, CCG	58,895	-	(1,280)	57,615
Health Education England	-	161,600	(161,600)	-
Legacies for use at Yeovil Hospice	-	66,364	(66,364)	-
CCG Capital Grant	83,465	-	(30,314)	53,151
Hospice UK – Covid Funding	-	650,656	(650,656)	-
Donations from Charitable Trusts	73,683	106,091	(173,375)	6,399
	<b>2,628,676</b>	<b>3,783,523</b>	<b>(3,949,768)</b>	<b>2,462,431</b>

NHS Grant Provision was monies received towards the treatment of patients for clinical services.

The Yeovil appeal was set up to construct and equip a hospice in Yeovil and to contribute towards its running costs during the early years of its use. The Trustees consider that treating that part of the freehold property funded by the appeal as a restricted fund more properly represents the intentions of the original donors to this appeal and therefore the net book value of this asset has been transferred from unrestricted funds.

The Taunton appeal was set up to construct and equip a hospice in Taunton and to contribute towards its running costs during the early years of its use. The Trustees consider that treating that part of the freehold property funded by the appeal as a restricted fund more properly represents the intentions of the original donors to this appeal and therefore the net book value of this asset has been transferred from unrestricted funds.

A grant has been received and expended during the year from Health Education England for training of clinical staff.

Legacies were received towards the running costs of the Yeovil Hospice site.

CCG Capital Grant – The CCG awarded funding for capital projects being undertaken by the Hospice including Lymphoedema equipment, hardware for project Echo, and other IT development and hardware.

Hospice UK – Covid funding. NHS England awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the COVID-19 situation.

A number of other donations from Trusts and other sources were received but are not material and as such the detail has not been disclosed.

## 22. Unrestricted Funds

### Group

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains & Losses £	Balance at 31 March 2022 £
General funds	18,239,053	10,841,010	(8,733,515)	500,335	20,846,883
<b>Designated funds:</b>					
Funds to be spent in accordance with donor's request	47,331	-	-	-	47,331
	<b>18,286,384</b>	<b>10,841,010</b>	<b>(8,733,515)</b>	<b>500,335</b>	<b>20,894,214</b>

### Charity

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains & Losses £	Balance at 31 March 2022 £
General funds	18,213,211	10,325,230	(8,164,803)	500,335	20,873,973
<b>Designated funds:</b>					
Funds to be spent in accordance with donor's request	47,331	-	-	-	47,331
	<b>18,260,542</b>	<b>10,325,230</b>	<b>(8,164,803)</b>	<b>500,335</b>	<b>20,921,304</b>



**23. Analysis of Net Assets Between Funds Group**

	Tangible Fixed Assets £	Intangible Fixed Assets £	Investments £	Net Current assets/ (liabilities) & provisions £	TOTAL £
<b>Restricted Income Funds</b>					
Yeovil Appeal	1,378,758	-	-	-	1,378,758
Taunton New Build Appeal	966,508	-	-	-	966,508
CCG Capital Grant	35,237	-	-	17,914	53,151
<b>Other restricted funds</b>	57,615	-	-	6,399	64,014
	2,438,118	-	-	24,313	2,462,431
Unrestricted Income Funds	4,768,012	328,900	8,280,173	7,517,129	20,894,214
<b>Total Funds</b>	<b>7,206,130</b>	<b>328,900</b>	<b>8,280,173</b>	<b>7,541,442</b>	<b>23,356,645</b>

**Charity**

	Tangible Fixed Assets £	Intangible Fixed Assets £	Investments £	Net current assets/ (liabilities) & provisions £	TOTAL £
<b>Restricted Income Funds</b>					
Yeovil Appeal	1,378,758	-	-	-	1,378,758
Taunton New Build Appeal	966,508	-	-	-	966,508
CCG Capital Grant	35,237	-	-	17,914	53,151
<b>Other restricted funds</b>	57,615	-	-	6,399	64,014
	2,438,118	-	-	24,313	2,462,431
Unrestricted Income Funds	4,768,012	328,900	8,280,173	7,543,719	20,921,304
<b>Total Funds</b>	<b>7,206,130</b>	<b>328,900</b>	<b>8,280,173</b>	<b>7,568,032</b>	<b>23,383,735</b>

## 24. Related Party Transactions

St Margaret's Somerset Hospice is the parent Charity and sole shareholder of St Margaret's Somerset Hospice Retail Ltd, St Margaret's Fundraising Ltd, Somerset Rocks Ltd, St Margaret's Funerals Ltd, St Margaret's Technical Services Ltd, Hospice Funerals Trading Ltd, and Hospice Funerals LLP.

In accordance with FRS102 section 33.1A, the company has taken advantage of an exemption from disclosing transactions with its subsidiaries on the grounds that they are wholly owned.

Transactions with Clarke Willmott amounted to £14,209 (2021: £2,700). Kevin Jones is a trustee of St Margaret's Somerset Hospice and was a Partner of Clarke Willmott during the previous financial year. The account balance was £nil (2021: £nil) at the year end.

Clarke Willmott services supplied:

	2022	2021
	£	£
HR and employment advice	-	750
Property related advice	12,109	-
Business legal advice	2,100	1,950
	<u>14,209</u>	<u>2,700</u>

Transactions with Lewis-Manning Hospice Care amounted to £9,756 (2021: £34,181). Ann Lee is Chief Executive of St Margaret's Somerset Hospice and was a Trustee of Lewis-Manning Hospice Care during the financial year. The account balance owed to St Margaret's Somerset Hospice was £nil (2021: £1,026) at the year end.

Services provided to Lewis-Manning Hospice Care:

	2022	2021
	£	£
IT Professional Services	9,756	34,181
	<u>9,756</u>	<u>34,181</u>

## 25. Company Limited by Guarantee

The Charity is controlled by its Trustees acting in concert. The company is limited by guarantee, having no share capital. In the event of the Charity being wound up the liability of each member is limited to £1.

## 26. Reconciliation of net incoming resources to net cash inflow from operating Activities

Group	2022	2021
	£	£
<b>Net income</b>	<b>2,441,585</b>	<b>2,931,276</b>
Income from investments	(264,475)	(180,542)
Interest receivable	(3,925)	(2,486)
(Gain)/loss on investments	(500,335)	(1,093,240)
Profit on disposal of fixed assets	(417)	(400)
Depreciation	432,383	509,250
Amortisation	35,843	19,876
Transfer of fixed assets to current assets	110,996	-
Decrease in stocks	24,033	20,544
(Increase)/decrease in debtors	(776,648)	252,865
Increase/(decrease) in creditors	273,556	(221,220)
<b>Net cash inflow from operating activities</b>	<b>1,772,596</b>	<b>2,235,923</b>

## 27. Financial Instruments

The Group has the following financial instruments:

	Note	2022	2021
		£	£
<b>Financial assets at fair value through profit and loss</b>	<b>9</b>	<b>8,280,173</b>	<b>7,654,648</b>
<b>Financial assets that are debt instruments measured at amortised cost</b>			
Trade Debtors	16	125,239	107,711
Other Debtors	16	434,553	214,480
		<b>559,792</b>	<b>322,191</b>
<b>Financial liabilities measured at amortised cost</b>			
Trade Creditors	17	437,188	153,262
Prepaid lottery subscriptions	17	86,572	88,067
Other creditors	17	83,113	82,113
		<b>606,873</b>	<b>323,442</b>

The Charity has the following financial instruments:

		2022	2021
		£	£
<b>Financial assets at fair value through profit and loss</b>	<b>9</b>	<b>8,280,673</b>	<b>7,655,148</b>
<b>Financial assets that are debt instruments measured at amortised cost</b>			
Trade Debtors	16	118,563	105,257
Amounts owed by group	15	236,799	320,590
Other Debtors	16	434,553	212,419
		<b>789,915</b>	<b>638,266</b>
<b>Financial liabilities measured at amortised cost</b>			
Trade Creditors	17	439,913	147,473
Prepaid lottery subscriptions	17	86,572	88,067
Other creditors	17	76,058	73,039
		<b>602,543</b>	<b>308,579</b>

## 28. St Margaret's Somerset Hospice Retail Ltd

St Margaret's Somerset Hospice's wholly owned trading subsidiary, St Margaret's Somerset Hospice Retail Ltd, Company No 07204857, was incorporated on 26 March 2010. The principal activity of the company is to retail new goods on behalf of St Margaret's Somerset Hospice. The company's registered office is St Margaret's Hospice, Heron Drive, Taunton, TA1 5HA.

Any profits chargeable to corporation tax are gift aided to St Margaret's Somerset Hospice. A summary of the trading results of the subsidiary is shown below. Audited financial statements will be filed with the Registrar of Companies.

	2022	2021
	£	£
Turnover	830,419	353,987
Cost of Sales	(443,614)	(186,992)
Gross Profit	386,805	166,995
Other operating income	383	10,518
Administrative expenses	(303,122)	(171,593)
Profit	84,066	5,920
Paid under gift aid to charity	(84,066)	(5,920)
Profit for the year	0	0
Analysis of net assets/(liabilities) of subsidiary		
Stock	143,201	187,029
Cash at bank	3,592	24,351
Amounts owed to parent	(146,693)	(211,280)
	100	100
Retained earnings	-	-
Called up share capital	100	100
	100	100

## 29. St Margaret's Fundraising Ltd

St Margaret's Somerset Hospice's wholly owned trading subsidiary, St Margaret's Fundraising Ltd, Company No 8242255, was incorporated on 5 October 2012. The principal activity of the company is to organise major fundraising events on behalf of St Margaret's Somerset Hospice. The company's registered office is St Margaret's Hospice, Heron Drive, Taunton, TA1 5HA.

Any profits chargeable to corporation tax are gift aided to St Margaret's Somerset Hospice. A summary of the trading results of the subsidiary is shown below. Audited financial statements will be filed with the Registrar of Companies.

	2022	2021
	£	£
Turnover	42,316	-
Cost of Sales	(18,001)	-
Operating Profit	24,315	-
Interest payable and similar expenses	(1,344)	(1,636)
Profit/(Loss) for the year	22,971	(1,636)
Analysis of net liabilities/assets of subsidiary		
Amounts owed to parent	(31,390)	(54,361)
Total Assets less Liabilities	(31,390)	(54,361)
Retained earnings	(31,490)	(54,461)
Called up share capital	100	100
	(31,390)	(54,361)

### 30. St Margaret's Funerals Ltd

St Margaret's Somerset Hospice's wholly owned trading subsidiary, St Margaret's Funerals Ltd, Company No 10985626, was incorporated on 28 September 2017. The principal activity of the company is to provide funeral services. The company's registered office is St Margaret's Hospice, Heron Drive, Taunton, TA1 5HA.

Any profits chargeable to corporation tax are gift aided to St Margaret's Somerset Hospice.

	2022	2021
	£	£
Turnover	170,342	190,521
Cost of Sales	(86,249)	(86,633)
Gross Profit	84,093	103,888
Administrative Expenses	(287,447)	(172,792)
Other Income	-	25,000
(Loss) for the year	(203,354)	(43,904)
Analysis of net assets/(liabilities) of subsidiary		
Assets held for resale	23,335	109,917
Stock	2,265	5,805
Debtors	11,176	7,098
Bank and cash in hand	27,618	23,864
Creditors	(495)	(10,649)
Creditors falling due after more than one year - amounts owed to subsidiary	(62,004)	(62,004)
Creditors falling due after more than one year - amounts owed to parent	(633,195)	(501,977)
	(631,300)	(427,946)
Retained earnings	(631,401)	(428,046)
Called up share capital	100	100
	(631,300)	(427,946)

### Events After the End of The Reporting Period

In July 2022 the Board decided that St Margaret's Funeral Services Ltd should cease trading. This was because the financial forecasts did not show a reasonable prospect of the company being able to generate a surplus in the foreseeable future. As the decision was taken after the balance sheet date, under FRS102 this is classed as a non-adjusting post balance sheet event. The above results therefore do not include any potential costs arising from the decision to cease trading.

However, as a result of this decision to cease trading, the results of St Margaret's Funeral Services Ltd can no longer be prepared on a going concern basis, and so the break-up basis of accounting has been adopted. All assets and liabilities are shown as current and are stated at their net realisable value



### 31. Hospice Funerals LLP

The LLP was incorporated on 24th October 2017, company number OC419616. The LLP's registered office is St Margaret's Hospice, Heron Drive, Taunton, TA1 5HA. The LLP is controlled by St Margaret's Funerals Ltd. Any profits chargeable to corporation tax are gift aided to St Margaret's Somerset Hospice.

As reported in the 2019/20 Financial Statements, the Trustees of St Margaret's Hospice took the decision to temporarily mothball the LLP due to the coronavirus pandemic, and the business has been dormant for the year as shown by the results in the table below. The business is not now expected to recommence trading and therefore the break-up basis of accounting has been adopted. All assets and liabilities are shown as current and are stated at net realisable value.

	2022	2021
	£	£
Turnover	-	-
Cost of Sales	-	-
Gross Profit/(Loss)	-	-
Administrative Expenses	-	-
Other Operating Income	-	-
Interest payable and similar expenses	-	-
	-	-
Analysis of net assets/(liabilities) of subsidiary		
Bank and cash in hand	3,704	3,704
Creditors	(4,387)	(4,547)
Amount owed to group	(150,831)	(150,831)
	(151,514)	(151,674)

### 32. St Margaret's Technical Services Ltd

The charity also has a wholly owned subsidiary, St Margaret's Technical Services Ltd, set up in December 2018, with a share capital of £100. The company was dormant during the financial year.

### 33. Somerset Rocks Ltd

The charity also has a wholly owned subsidiary, Somerset Rocks Ltd, set up in October 2016, with a share capital of £100. The company was dormant during the financial year. After the end of the financial year Companies House have advised of their intention to strike-off the registration of Somerset Rocks Ltd and no objection has been raised by St Margaret's Hospice.

### 34. Hospice Funerals Trading Ltd

The charity also has a wholly owned subsidiary, Hospice Funerals Trading Ltd, which became part of the group on 27 March 2019, with a share capital of £1. The company was dormant during the year.

### 35. Capital Commitments

	2022 £	2021 £
Contracted but not provided for in the financial statements	47,313	14,174

### 36. 2020/21 Statement of Financial Activity

	Unrestricted £	Restricted £	Total Funds 2021 £
<b>Income from:</b>			
Donations and Legacies	2,815,337	1,538,533	4,353,870
Other Trading Activities	2,515,678	-	2,515,678
Investments	183,428	-	183,428
Charitable Activities	28,065	4,866,726	4,894,791
Other Income	1,148,442	-	1,148,442
	<b>6,690,950</b>	<b>6,405,259</b>	<b>13,096,209</b>
<b>Expenditure on:</b>			
Raising Funds	(4,361,455)	-	(4,361,455)
Charitable activities	(368,511)	(6,528,207)	(6,896,718)
	<b>(4,729,966)</b>	<b>(6,528,207)</b>	<b>(11,258,173)</b>
Net gains on investments	1,093,240	-	1,093,240
<b>Net income and movement in funds</b>	<b>3,054,224</b>	<b>(122,948)</b>	<b>2,931,276</b>
<b>Reconciliation of Funds:</b>			
Total Funds brought forward	15,232,160	2,751,624	17,983,784
<b>Total Funds carried forward</b>	<b>18,286,384</b>	<b>2,628,676</b>	<b>20,915,060</b>

### 37. 2020/21 Restricted Funds

Charity/Group	Balance at April 2020	Income	Expenditure	Balance at 31 March 2021
	£	£	£	£
NHS Grant Provision	-	2,340,668	(2,340,668)	-
Yeovil Appeal	1,459,798	-	(40,520)	1,419,278
Taunton Appeal	1,020,202	-	(26,847)	993,355
Trusts, DOH, CCG	60,175	-	(1,280)	58,895
McMillan Funding for Carers Services	-	141,771	(141,771)	-
Health Education England	-	1,355,433	(1,355,433)	-
Legacies for use at Yeovil Hospice	-	-	(30,522)	83,465
CCG Capital Grant	113,987	2,384,287	(2,384,287)	-
Donations from Charitable Trusts	97,462	183,100	(206,879)	73,683
	<b>2,751,624</b>	<b>6,405,259</b>	<b>(6,528,207)</b>	<b>2,628,676</b>

### 38. 2020/21 Unrestricted Funds

Group	Balance at 1 April 2020	Income	Expenditure	Gains & Losses	Balance at 31 March 2021
	£	£	£	£	£
General funds	15,184,829	6,690,950	(4,729,966)	1,093,240	18,239,053
<b>Designated funds:</b>					
Funds to be spent in accordance with donor's request	47,331	-	-	-	47,331
	<b>15,232,160</b>	<b>6,690,950</b>	<b>(4,729,966)</b>	<b>1,093,240</b>	<b>18,286,384</b>

Charity	Balance at 1 April 2020	Income	Expenditure	Gains & Losses	Balance at 31 March 2021
	£	£	£	£	£
General funds	15,621,795	6,057,737	(4,559,561)	1,093,240	18,213,211
<b>Designated funds:</b>					
Funds to be spent in accordance with donor's request	47,331	-	-	-	47,331
	<b>15,669,126</b>	<b>6,057,737</b>	<b>(4,559,561)</b>	<b>1,093,240</b>	<b>18,260,542</b>

### 39. 2020/21 Analysis of Net Assets between Funds

#### Group

	Tangible Fixed Assets £	Intangible Fixed Assets £	Investments £	Net current assets/ (liabilities) & provisions £	TOTAL £
<b>Restricted Income Funds</b>					
Yeovil Appeal	1,419,278	-	-	-	1,419,278
Taunton New Build Appeal	993,355	-	-	-	993,355
CCG Capital Grant	65,551	-	-	17,914	83,465
Other restricted funds	124,579	-	-	7,999	132,578
	2,602,763	-	-	25,913	2,628,676
Unrestricted Income Funds	4,987,743	325,250	7,654,648	5,318,743	18,286,384
<b>Total Funds</b>	<b>7,590,506</b>	<b>325,250</b>	<b>7,654,648</b>	<b>5,344,656</b>	<b>20,915,060</b>

#### Charity

	Tangible Fixed Assets £	Intangible Fixed Assets £	Investments £	Net current assets/ (liabilities) & provisions £	TOTAL £
<b>Restricted Income Funds</b>					
Yeovil Appeal	1,419,278	-	-	-	1,419,278
Taunton New Build Appeal	993,355	-	-	-	993,355
CCG Capital Grant	65,551	-	-	17,914	83,465
Other restricted funds	124,579	-	-	7,999	132,578
	2,602,763	-	-	25,913	2,628,676
Unrestricted Income Funds	4,877,826	325,250	7,655,148	5,402,318	18,260,542
<b>Total Funds</b>	<b>7,480,589</b>	<b>325,250</b>	<b>7,655,148</b>	<b>5,428,231</b>	<b>20,889,218</b>