

Annual Report

S.S. John & Elizabeth Charity

For the year ended 31 December 2022

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S.S. John & Elizabeth Charity. Annual Report For the year ended 31 December 2022

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Introduction

The S.S. John and Elizabeth Charity (the Charity) operates the private Hospital of St John and St Elizabeth (the Hospital) and St John's Hospice (the Hospice) from a single site in St John's Wood, London. The aims of the Charity are to provide care and treatment of patients, without distinction and in particular for patients requiring palliative care and to serve the sick and the dying, and to seek to care for the physical, spiritual and emotional needs of the person, whatever their race, colour or creed.

The Charity also offers facilities for third party providers of medical services including a specialist NHS dementia unit in the Butterworth Centre, a dedicated building on the site and the St John's Wood NHS Medical Practice.

The Hospice cares for 4,500 terminally ill patients and their families every year at no cost to the patients, who can be treated in an 15 bed inpatient ward, or utilise the award winning Hospice@Home service as well as accessing dedicated community nursing and Day Services.

The Hospital is at the heart of the community with a proud history dating back 167 years and enjoys a reputation for offering the highest standards of care and compassion.

Hospital patients can access a wide range of medical and surgical treatments along with high dependency care, elderly care, adult and paediatric outpatient services, walk in urgent care services and diagnostic and clinical support services.

The Hospital has six operating theatres, an endoscopy unit and state-of-the-art facilities along with 72 inpatient rooms all with en-suite bathrooms. The Hospital provides a wide range of elective and non-elective services for inpatient and day case care supported by a range of activities including:

- Acute services
- Ambulance services
- Community healthcare services
- Diagnostic and screening services
- Doctors consultation services
- Domiciliary care services
- Hospice services
- Long-term condition services
- Rehabilitation services
- Urgent care services

The Hospital's activities, along with the Charity's retail operation, support the Charity's aim. Whilst the Charity's operating surplus, together with its reserves, ensure that its charitable purpose can be delivered in the medium term.

The Organisation of the above services is managed by Chief Executive, Simon James, appointed by the Board of the Charity's Corporate Trustee. The Chief Executive is supported in his role by a Hospital Management Board which is comprised of individuals with a range of skills appropriate to the effective operation of the Charity in general and the above activities in particular.

Report of the Trustees for the year ended 31 December 2022

The Trustees, being the directors of the Corporate Trustee, are pleased to present their report, together with the financial statements of the Charity, for the year ended 31 December 2022. They confirm that it has complied with the duty outlined in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance (both general and supplementary) in relation to public benefit.

Reference and Administrative Details

Charity Number: 235822

Principal Office

The Hospital of St. John & St. Elizabeth
60 Grove End Road, London, NW8 9NH

Auditor

Mazars LLP
2nd Floor 6 Sutton Plaza, Sutton Court Road,
Sutton, Surrey, SM1 4FS

Bankers

Barclays Bank plc
1 Churchill Place
London
E14 5HP

Solicitors

Bevan Brittan LLP
Kings Orchard
1 Queen Street
Bristol, BS2 0HQ

Blake Morgan LLP
6 New Street Square
London
EC4A 3DJ

DAC Beachcroft
25 Walbrook London
EC4N 8AF

Trustees

The Charity has a Corporate Trustee, The Hospital of St John & St Elizabeth, a company limited by guarantee, established for the sole purpose of being the trustee of the Charity. The Corporate Trustee is a registered company, number 2808390. The Corporate Trustee has incurred no financial transactions since incorporation and is therefore dormant for accounting and audit purposes. The directors of the Corporate Trustee have passed a resolution that removes the need for the accounts of the Corporate Trustee Company to be audited.

Patron

His Eminence Cardinal Vincent Nichols

The Directors of the Corporate Trustee, who served during the year as Trustees of the Charity and since the year end, are as follows:

Chairman

Sir Mark Allen CMG (until 06 May 2022)
Professor Margaret Johnson (from 06 May 2022)

Vice-Chairman

Professor Margaret Johnson (until 20 June 2022)
Mr Julian Schild (from 20 June 2022)

Archbishop of Westminster

Nominee

Bishop John Francis Sherrington

Medical Advisory Committee

Nominee

Dr Stuart Webb
Mr James Youngman (as alternate for Dr Stuart Webb)

Elected Directors

Professor Margaret Johnson (Chairperson)
Mr Julian Schild (Vice-Chair)
Sir Mark Allen CMG
Ms Alda Andreotti
Mr Nabil Ariss (left 21 March 2023)
Mr Francis Fitzherbert-Brockholes
Mr Simon Lawless Professor William Morris
Mr Norbert Reis
Mr Richard Ritchie
Bishop John Francis Sherrington
Mr Peregrine Towneley

Ethics Committee:

Mr Richard Ritchie (Chairman)
Sir Mark Allen
Father John O'Leary
Professor Patrick Kennedy

Finance and Audit Committee:

Mr Norbert Reis (Chairman)
Ms Alda Andreotti
Mr Simon Lawless
Mr Julian Schild
Mr Peregrine Towneley

Chief Officers

Mr Simon James (Chief Executive from 01 August 2023)
Mrs Caroline Fox (resigned as Chief Executive from 21 February 2023)
Mr Andrew Gallini (Chief Nursing Officer)
Mr Andrew Holmes (Chief Financial Officer)

Remuneration Committee:

Ms Alda Andreotti (Chairwoman)
Mr Simon Lawless
Mr Richard Ritchie

Sub-Committees of the Board**Church Committee:**

Mr Richard Ritchie (Chairman)
Mr Charles Finch *
Father Hugh MacKenzie*
Sister Kathleen Mary*
Mrs Priscilla Sharp*
Mr Mike Staunton

Medical Advisory Committee:

Dr Stuart Webb (resigned as Chair from 21 February 2023)
Mr James Youngman (Chairman from 21 February 2023)
Dr Dennis Abadi
Mr Leye Ajayi
Dr Colin Brown
Dr Simon Goldenberg
Dr Tariq Hussain
Dr Wolfgang Muller
Dr Dean Noimark
Mr Emeka Okaro
Dr Robert Pearce
Dr Diane Saget
Dr Deepak Suri
Professor Neil Tolley
Dr Moeen Ul Haq
Dr Andre Van-Nierop
Dr Stephen Ward
Dr Simeon West
Dr Carol Whelan
Mr Simon Withey
Mr Paul Ziprin

AIMS, OBJECTIVES, VALUES AND ACTIVITIES OF THE CHARITY

The Charity's aims are to serve the sick and the dying, and to seek to care for the physical, spiritual and emotional needs of the person, whatever their race, colour or creed.

In so doing, the Charity is aware that it is measured by its grace, its charity and its ethical principles. Since its foundation in 1856, the Hospital has been fully committed to a multi-faith philosophy, whilst maintaining its strong Catholic tradition in its spiritual and ethical principles.

The Charity carries out its Christian commitment in maintaining a Hospice and provides amenities for organisations dedicated to the work and study of the religious principles and practice of medical science, and its relationships to the total care of the sick.

Objectives

The Charity's objectives are:

- For patients to receive appropriate corrective and supportive treatment in an environment where patient safety and choice are of paramount importance
- To achieve the highest standards of medical care, measured in terms of quality of staff, facilities, equipment and management
- To remain active in the field of acute hospital care and
- To develop the concept of caring for its patients in the totality of their physical, spiritual and emotional needs, and for such care to extend to all members of staff

The Charity's achievements against its objectives for 2022 are as follows;

- Increased number of Consultants with Practising Privileges
- Increased patient numbers
- Maintenance of high staff to patient ratios
- Increased patient satisfaction

Values

The Charity's values guide its decision making and place the wellbeing of its patients first:

Compassion

We recognise the human side to healthcare and business. This guides Us. Compassion runs deep within our organisation. Our Caring, empathetic approach sets us apart.

Commitment

We're devoted to excellence. Our hallmark is outstanding care coupled with leading edge treatment. We're committed to delivering the best possible outcome for every patient. Performing at our best, on our own and as part of our team.

Community

We have strong ties with our local community. Our building is a friendly, neighbourhood landmark not a cold clinical institution. A welcoming, inclusive place where people come to use our services.

Charity

Charity is our reason for being. It's fundamental to our ethos. It inspires and motivates everything we do. Private healthcare. Not here, we're different.

Activities

The Charity is committed to serving the medical needs of the community. It achieves this by working with other local healthcare providers such as NHS Trusts and Clinical Commissioning Groups, and through fundraising and using surpluses from Hospital activities to have the ability to treat patients with life limiting illnesses, without charge for themselves, in the Hospice and in their own homes.

The Hospice and fundraising department aim to raise awareness in the local community, across all residents especially those from disadvantaged and underrepresented groups. They also work with young people to help reduce the stigma and misconceptions around death, long term illness and grief related mental health issues.

The Hospice cares for a wide range of patients affected by illness, including people with HIV, dementia Motor Neurone Disease and cancer. They assist the group in coping and adapting to an extended lifespan, resulting from combination therapy which has improved their prognosis.

The Charity provides full medical support and services for patients in the Hospice Inpatient Unit (Hospice@Home provides this service in the patient's own home). In addition, the Hospice Day Care Unit, therapies service, Community Nursing Specialists and Social and Bereavement teams provide additional support to those patients who are faced with life limiting illness. These services are delivered free of charge to patients.

The Charity also offers a Chaplaincy Service to care for the spiritual, pastoral and religious needs of patients, relatives and staff whatever their faith and belief.

Structure, Governance and Management of the Charitable Funds

Governing Document

The Charity was founded in 1856 and is registered with the Charity Commission (charity number 235822). Its current governing instrument is a Scheme made by the Charity Commission on 21 May 1993, as amended by a further Scheme made by the Charity Commission on 2 February 1998 and a Charity Commission order dated 4 April 2005.

Trustees

The Trustee of the Charity, appointed by clause 2 of the 1993 Scheme, is the body corporate called The Hospital of St John and St Elizabeth.

This Corporate Trustee is a company limited by guarantee (number 2808390) and also registered with the Charity Commission (charity number 1020916).

It is governed by its Memorandum and Articles of Association dated 24 February 1993, as amended by a special resolution dated 31 March 1998, and further amended by a special resolution dated 31 March 2015. The Directors of the body corporate are all unpaid.

Directors

As set out in the Articles of Association of the Corporate Trustee, there must be a minimum of ten Directors and at least 70% of the total number of Directors must profess the Roman Catholic faith. One Director shall be the nominated representative of the Roman Catholic Archbishop of Westminster.

Directors; a Director may appoint any other Director or any other person to act as his/her alternate Director. The Directors may elect a Chairman and a Vice Chairman, both of whom shall hold office for a period of three years. Directors, excluding nominated Directors, may hold office for a period of three years. At every Annual General Meeting, one third of Directors shall retire from office but shall be eligible for re-election.

Any Director can submit a name for consideration as a Director to the Board. There follows a discussion on the appropriateness of the nomination, and if there is general agreement that the appointment might be of benefit, the prospective candidate is interviewed by the Chairman and at least one other Director. The Chairman will then report back to a subsequent meeting of the Board when a decision will be taken to appoint or not. Potential Directors must display eligibility, personal competence, specialist skills and availability.

Members

There can be up to 50 members of the Charity. The key role of members is to appoint Trustees. Membership is either through being a Director of the Corporate Trustee or through nominations from specific groups associated with the works and locality of the Charity.

The Directors have the power to co-opt further members. Anyone who is a member in more capacities than one shall only be counted once. There shall at all times be at least 75% of the membership who profess the Roman Catholic faith. Each member agrees to contribute £1 in the event of the Charity winding up.

Director Induction and Training

Newly appointed Trustees receive an information pack consisting of information about the Charity, the governing document, terms of reference of all sub-committees of the Corporate Trustee, the Corporate Trustee's annual report and accounts, budgets, relevant policies and minutes, and information about trusteeship in the form of the Charity Commission booklet CC3, The Essential Trustee. In addition, the Chairman and Chief Executive provide a detailed briefing and a guided tour, during which new Trustees and Directors are able to meet key employees and other Directors. There is an ongoing assessment of the training needs of the Trustees and Directors, and additional training is provided as required. Trustees and Directors are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Board of the Corporate Trustee administers the Charity and fulfils the Corporate Trustee's legal duty by ensuring that funds are spent in accordance with the objects of the Charity. The Board meets on at least four occasions per annum and is responsible for approving strategic plans, the annual business plan including the annual budget, and for approving the annual accounts and Trustees' report. At each meeting, the Directors receive reports on financial results and activity levels, and the progress made against the annual budget and business plan to ensure that they are able to exercise their fiduciary responsibilities.

To assist in this task, there are a number of Board sub-committees, comprising Directors, senior management and Nominees, with agreed terms of reference and periods of office. These sub-committees are responsible for strategic, financial and operational issues. The sub-committees report at each meeting of the Corporate Trustee on the progress being made against agreed objectives. A Chief Executive is appointed by the Corporate Trustee to manage the operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms approved by the Board of the Corporate Trustee, for operational matters including finance, employment, clinical standards and the day-to-day management of the organisation. The Chief Executive is supported in this role by the Hospital Management Board (HMB).

Remuneration of key management personnel is set by the Remuneration Committee taking into account cost of living increases and external market conditions.

Related Parties

The Charity has a close relationship with the Brampton Trust and is its principal beneficiary. The Brampton Trust provides financial support by way of donations and interest free loans, and owns the freehold of a significant part of the estate. One of the Brampton Trust Trustees is also a director of the Corporate Trustee.

The Brampton Trust has not been included in the financial statements of the Charity as the Corporate Trustee does not exercise control over it.

Note 16 in the Notes to the Financial Statements details the related party transactions with the Directors of the Corporate Trustee.

Public Benefit

All our activities advance our charitable purpose for the public benefit to save lives and serve the sick and the dying. The impact of our services extends beyond the clinical and non-clinical care provided to our patients by providing bereavement services and support to their families. Further details are set out below on page 11 of this report.

When setting the strategic plan and approving the annual business plan, the Board of the Corporate Trustee has given careful consideration to the Charity Commission's guidance on public benefit.

The Charity is committed to ensuring that Patients within the Hospice are able to attend at no cost to themselves.

Corporate Governance

The Board of the Corporate Trustee strongly supports the principles of corporate governance. Their main responsibility is to protect the long term security of the Charity, by ensuring that the Hospital and Hospice are well managed and that it maintains appropriate standards of clinical care.

Clinical Governance

A structure of policy setting and monitoring is well established in line with the requirements of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 (Part 3) and the standards as laid out by the regulator, the Care Quality Commission (Registration) Regulations 2009 (Part4).

The Director of Governance & Risk Management and the Medical Director help to ensure that best practice and national clinical standards continue to be met.

The Charity remains compliant with all regulatory requirements since our Care Quality Commission inspection was undertaken in 2021 where we received an overall 'Good' rating, demonstrating the high quality care provided at the Hospital and Hospice.

The Hospital participates in all appropriate National Confidential Audits into peri-operative death, the National Joint Registration and provides information on the rates of hospital acquired infection to Public Health England. The Hospital has low infection rates including a zero record of Hospital acquired MRSA and MSSA for the past nine years.

The Hospital is a member of the Private Healthcare Information Network and is fully compliant with all Competition Market Authority Article 22 regulation requirements.

The Board of the Corporate Trustee welcomes the national framework that supports commitment to ensuring that standards and quality of care are maintained. Issues of clinical governance are reviewed regularly by speciality committees and their findings and recommendations are reported to the Hospital Management Board and Medical Advisory Committee, the Chairman of which is also a member of the Board of the Corporate Trustee.

FINANCIAL REVIEW

Income

Income increased year on year by 24.2% to £74.4m (2021: £59.9m), of which £2.5m was restricted funds (2021: £4.3m). This was driven by an increase in patient related income, particularly from outpatient services and Day case services. There was also a significant increase in voluntary income.

The increase in Outpatient attendances led to related increases in activity for Pathology, Imaging and outpatient procedures.

Voluntary income increased by 201.3% as a result of a legacy donation of landed property from a benefactor which is valued at £10.2m. The asset is held for sale and will be disposed of in 2023/24 at the prevailing market conditions.

Expenditure

Total operating costs increased by 18.4% in 2022 to £67.5m (2021: £57.0m), which was due to higher staff costs, increased supplies costs from inflationary and activity increases and increased professional fees related to increased patient activity. Staff costs increases were driven agency staff costs due to challenging recruitment conditions. Professional fees increases are linked to higher outpatient activity and increased costs to support the High Dependency Unit.

Policy on Reserves

The policy of the Trustee is to seek to build up and maintain free reserves at a level which will:

- Assist in providing the Charity with adequate working capital to continue to operate in furtherance of its charitable objectives
- Provide protection against cyclical and seasonal operating factors, and unforeseen events and;
- Support the Hospital's continued development.

The Charity's Free Reserves at 31 December 2022 were £9.2m (2021: £2.9m). The reserves increased in 2022 as a result of the legacy donation. The Trustees' intention is to grow the general fund in line with the Charity's policy on reserves.

The restricted funds which comprises of donations, grants and development funds held for the benefit of the Hospice at 31 December 2022 was £11.0m (2021: £11.2m).

Operating Surplus

The operating surplus for the year amounted to £6.9m (2021: £3.1m) of which £0.2m deficit was restricted.

The balance sheet has strengthened with a £11.4m increase in total assets and a £4.5m increase in total liabilities. As a result net assets increased from £57.8m at December 2021 to £64.7m at the end of 2022.

The Charity does not maintain a policy on investments because these are generally not significant. Upon receipt of a donation in the form of an investment, an assessment is made as to whether to keep the investment or liquidate for cash. The assessment is done on a case-by-case basis.

Risk Management

The Board of the Corporate Trustee has implemented a risk management strategy in relation to the Charity which comprises:

- The development of a risk register that is reviewed by the Board on a regular basis
- The establishment of systems and procedures to manage those risks identified
- The implementation of procedures to minimise any potential impact on the Charity, should those risks materialise
- day-to-day operations with oversight from a strong group of Directors of the Corporate Trustee
- Appropriate insurance to cover identified risks where possible

Detailed considerations of financial and commercial risks are delegated to the Finance and Audit Committee, which is assisted by senior management, drawing on information from relevant sub-committees of the Board and reports from external inspection authorities such as the Auditors, whilst clinical risks are managed through the Quality and Governance Committee. For all areas risks are identified, assessed and controls are established throughout the year. Risks identified are prioritised on the likelihood of an event occurring and the impact should the event occur. All risks are then entered onto a risk register, which is reviewed monthly by the Hospital Management Board and twice yearly by the Board of Trustees.

The Charity has a Corporate Governance and Risk Management Department, which ensures that a corporate risk register is maintained, reviewed and updated on a regular basis. The Charity also has a Health and Safety Committee which reports to the Quality and Governance Committee, which in turn reports into the Hospital Management Board.

The Chief Executive, who leads the Hospital Management Board, reports to the Board of the Corporate trustees.

Key Risks

The Charity has a number of risks, the main ones of which are:

- **Business Performance:** the Charity needs to maintain a certain level of activity so it can continue its key objective to serve the sick and the dying
- **Macroeconomic,** in a recession or economic downturn the number of insured lives and people willing to fund their own treatments may fall, having an adverse effect on the Charity's results. Healthcare is less sensitive to economic trends than some other sectors, however costs currently reflect the levels of activity and there would be opportunities to reduce costs in some areas
- **Risk of a Cyber security incident and/or a serious data breach,** which could result in regulatory, legal or contractual issues. This is managed through IT security controls, policies and procedures, regular external review and continually reviewing new threats.
- **Clinical Risk** is a risk which can have wider consequences for the Charity, stakeholders and users. Medical malpractice is a risk through potential financial loss and reputational damage, as a result of poor clinical outcomes. This is managed by actively managing a diverse group of leading external Medical Consultants who conduct surgical and medical procedures, each of whom carries their own insurance, the hospital also carries out regular clinical audits and outcome reviews to measure clinical effectiveness
- **With a single site and business** there is a concentration of risk to the Charity's assets. This is managed through a well-defined governance process and in particular the appointment of an executive Hospital Management Board to manage operationally

The Situation in Ukraine

The conflict in relation to Ukraine is constantly changing but our view is that the impact on our business is likely to be limited, with the largest impact on our costs base likely to be in relation to energy charges which was renewed in October 2022. We have not seen any change in our demand for services since the crisis started. We have strong contingency and business continuity plans which we review periodically and will continue to do so should the situation change.

Going Concern

On the basis of our assessment of the charity's financial position the Trustee Directors have a reasonable expectation that the charity will be able to continue in operational existence for the foreseeable future. Thus we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The key controls used by the Charity include:

- The Charity has a robust committee structure to ensure scrutiny of the Charity's operations.
- All Board meetings and committees have formal agendas.
- Detailed terms of reference exist for all committees and are regularly reviewed and approved
- Comprehensive strategic planning, budgeting and management accounting is in place
- Established organisational structure and lines of reporting
- Formal written policies which are reviewed and updated regularly
- Comprehensive conditions upon which practising privileges of Consultants are granted
- Using external professional advice where appropriate
- Representation on the Hospital Management Board by the Medical Director and Director of Governance & Risk Management
- Supplemented by appropriate insurance which is reviewed annually

Summary of Future Plans

The Charity commenced its hospital redevelopment programme in 2017 and the project completed in early 2023.

In 2023 we plan to commence the refurbishment of our hospice day centre and community nursing and hospice administration offices which will enable us to enhance our day service offering and ensure we meet the needs of the patients we serve and provide support to. Funds for this development have been secured from our supporters.

St JOHN'S HOSPICE

St John's Hospice (the Hospice) is the Charity's provision of specialist palliative care through inpatient, community and day care services to the public. The Hospice has established contracts with two local Integrated Care Boards (ICBs) who commission and partially fund hospice services for their resident populations.

In addition to providing inpatient and day services the Hospice supports patients in the community with a Specialist Palliative Care Team and Hospice@Home services across a large geographical area. The Hospice also provides a Lymphoedema Service across two sites, and provides a whole range of bereavement and social work support to patients and families who use our hospice services. St Johns is the only provider of child bereavement services within Westminster. We are one of only a few hospices nationally to run a fully equipped Palliative Care Ambulance, enabling us to transfer patients at short notice into and from our Hospice.

The Inpatient Unit is a 15 bed residential care unit, which is supported by a specialist team providing 24 hour care. It provides family centred care for people with life limiting illnesses, including cancer, HIV/AIDS, heart disease, respiratory disease and Motor Neurone Disease. The Day Care Unit provides palliative care, complementary therapies, and a range of resources and activities for patients living with life limiting illnesses.

As the name suggests, Hospice@Home extends the care provided by the Inpatient Unit into the homes of patients who wish to remain in familiar and comfortable surroundings during the later stages of their illness.

The Hospice also provided 260 people with Social Work and Bereavement Team. Our Child Bereavement Co-Ordinator cared for 64 children and we held several bereavement days.

In total, the Hospice provided direct clinical care to 2,129 people (2021: 1,935).

St John's Hospice also provides a Lymphoedema service across two sites. In 2022, 554 patients were seen (2021: 490) and 1,215 sessions of treatment were provided (2021: 1,373).

During the year, the Hospital provided £3,152,935 of assistance to the Hospice through the provision of clinical and non-clinical support (2021: £2,971,442). This sum does not include the value of infrastructure and equipment used to provide services to the Hospice patients on site.

In 2022, the Hospice Inpatient Unit admitted 246 patients (2021: 234) which produced 3,395 bed nights (2021: 3,404). It also saw 67 patients in the Day Services Centre (2021: 36), producing 1,204 day care attendances (2021: 491). In relation to care provided to patients in the community, the Hospice had 170 new referrals (2021: 228), and provided care to 307 patients in total (2021: 343).

Chaplain

The Chaplaincy Service cares for the spiritual, pastoral and religious needs of patients, relatives and staff whatever their faith and belief. The Hospital's Chaplain, Father Hugh Mackenzie offers a friendly face, a listening ear, a chance to talk through thoughts and concerns and, where appropriate, prayer and Sacraments. The Chaplain and Eucharistic Ministers visit the wards during the week offering Holy Communion to those who request it, and the Chaplain celebrates Mass in the Hospital Chapel on Sundays and Tuesdays, for those who wish to attend. The Chaplain also provides an "on call" service in case of emergency. In addition, our Chaplain provides training and support for staff in all areas of the Hospice.

Apart from financial and other support provided by the Hospital's activities, the Charity generates additional funding from various fundraising activities. These include trusts and foundations, challenge and community events, individual donors, legacies and the operation of one charity shop and other community supported activities. In December of each year, the Hospice holds its "Light up a Life" evening, which allows people to celebrate and remember the lives of their loved ones. The evening includes a multi-faith service at St John's Wood Church.

Revenue from Fundraising increased to £13,215,000 (2021: £4,349,000). Legacy income increased from £3,498,000 in 2021 to £10,709,000 in 2022. Donations from individuals increased by 68% to £196,000 from £117,000 in 2021.

Community and Events income increased by 547%, from £43,000 in 2021 to £278,000 in 2022. Income received from trusts increased in 2022 to £1,693,000 from £522,000 in 2021.

The services detailed above all assist in furthering the Charity's aim.

Fundraising Approach

The Charity uses its own staff to carry out fundraising activities. No third parties are utilised, and the Charity does not operate any aggressive fundraising activities, the Charity is registered with the Fundraising Regulator and adheres to its Code of Fundraising Practice. All fundraising is carried out in the UK and no individual donations over £25,000 were received from non UK residents.

The Fundraising Department is registered with the Institute of Fundraising (IoF) and the Fundraising Regulator, adhering to all statutory requirements. The Charity also follows guidance from the Code of Fundraising Practice, which is continuously developed by the fundraising community through the IoF, to outline the standards expected of all charitable fundraising organisations across the UK.

Staff and Benefactors

This report would not be complete without thanking the Staff, Consultants and Volunteers for all their hard work, and also thanking everyone who has supported the Charity over the past year. Without such generosity and dedication, the Charity could not continue to undertake its charitable commitments.

Statement of Financial Activities For the year ended 31 December 2022

| | £000 |
|--------------------------|----------------|
| Income: | |
| Charitable activities | 3,289 |
| Expenditure: | |
| Direct Costs | (4,182) |
| Indirect Costs | (2,260) |
| Total Expenditure | 6,442 |
| Net Deficit | (3,153) |

Relationship with the NHS

The Charity maintains a strong relationship with the NHS which it assists where practicable. The key instances are:

Butterworth Centre

The Charity provides to the NHS the Butterworth Centre which is a unit for older persons with a mental illness. This is a purpose built facility of 45 single bed rooms with en-suite facilities, and which also includes an assessment unit and respite beds, all within the grounds of the Hospital. The aim of the unit is to provide a home for life in a safe environment, whilst ensuring quality of life is maximised through therapeutic and recreational therapy. As with the Hospice, patients receive care and treatment free of charge.

NHS GP Services

A local NHS GP Practice, St John's Wood Medical Practice, and the Primary Care Team operate from premises within the Hospital. This is a seven partner practice looking after over 15,000 patients.

NHS Medical Training Programme

The Hospital is part of the NHS medical training programme, offering rotations for doctors from Charing Cross Hospital and St Mary's Hospital. A specialist registrar in palliative medicine has been placed in the Hospital as part of the London Deanery specialist training in palliative medicine. Regular attachments for "taster" sessions occur for junior doctors from the Imperial NHS Trust and University College Hospital. Regular teaching is also provided to medical students at Imperial Medical School. This is an important community link to support Government moves to move palliative care into the community. The placements have been rated highly by the trainees.

Strategy and Achievements

The Hospital's aim of continual improvement in key operating metrics for service delivery will enable the Hospital to improve operating performance over time and thereby drive the delivery of the Charity's objectives.

Responsibilities of the Corporate Trustee in relation to the Financial Statements

Charity Law requires the Corporate Trustee to prepare financial statements that give a true and fair view of the state of affairs of the Charity at the end of the financial year and of its surplus or deficit for the financial year.

In doing so, the Corporate Trustee is required to:

- Prepare accounts which represent a true and fair view
- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed
- Prepare the financial statements on the going concern basis, unless it is appropriate to presume that the Charity will not continue in business
- Prepare an assessment of the risks and opportunities

The Corporate Trustee is responsible for maintaining proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Charity and enables it to ensure that the financial statements comply with the Charities Act 2011.

Auditors

A resolution was passed at the Annual General Meeting that Mazars LLP be reappointed as auditors to the Charity for the ensuing year.

This report was approved by the Board of the Corporate Trustee on 26 October 2023 and signed on their behalf by:



Mr Norbert Reis
Director

Independent Auditor's Report to the Trustee of S.S. John and Elizabeth Charity

Opinion

We have audited the financial statements of S.S. John and Elizabeth Charity (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, Balance Sheet, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Annual Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the charity and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Charities Act 2011 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mazars LLP

Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey,
SM1 4FS
Date: 22 December 2023

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Statement of Financial Activities

For the year ended 31 December 2022

| | | | | 2022 | 2021 |
|---|---------|--------------------|------------------|-----------------|----------|
| | Notes | Unrestricted funds | Restricted funds | Total | Total |
| | | £000 | £000 | £000 | £000 |
| Income from: | | | | | |
| Donations and Legacies | | 10,709 | 2,058 | 12,767 | 4,211 |
| Charitable activities | | 61,203 | - | 61,203 | 55,566 |
| Other trading activities | | - | 448 | 448 | 138 |
| Investment | | 24 | - | 24 | 19 |
| Total | 2(a)(b) | 71,936 | 2,506 | 74,442 | 59,934 |
| Expenditure on: | | | | | |
| Raising funds | | - | (1,012) | (1,012) | (799) |
| Charitable activities | | (64,738) | (1,734) | (66,472) | (56,185) |
| Total | 3 | (64,738) | (2,746) | (67,484) | (56,984) |
| Net (expenditure) / income before gains and losses on investments | | 7,198 | (240) | 6,958 | 2,951 |
| Net (losses) / gains on investments | | (98) | - | (98) | 124 |
| Net (expenditure) / income | | 7,100 | (240) | 6,860 | 3,075 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 46,636 | 11,197 | 57,833 | 54,757 |
| Total funds carried forward | 11, 12 | 53,736 | 10,957 | 64,693 | 57,832 |

The accompanying notes from Pages 22 to 33 are an integral part of this Statement of Financial Activities.

Balance Sheet
31 December 2022

| | | 2022 | 2021 |
|--|--------|----------------|----------|
| | Notes | Total | Total |
| | | £000 | £000 |
| Fixed assets | | | |
| Tangible assets | 5 | 82,713 | 80,369 |
| Investments | 6 | 837 | 934 |
| | | 83,550 | 81,303 |
| Current assets | | | |
| Stock | | 1,466 | 1,502 |
| Debtors | 7 | 10,548 | 7,785 |
| Investments | 8 | 10,200 | - |
| Cash at bank and on hand | | 4,760 | 8,582 |
| | | 26,974 | 17,869 |
| Creditors | | | |
| Amounts due within one year | 9 | (9,425) | (10,006) |
| Net current assets | | 17,549 | 7,863 |
| Total assets less current liabilities | | 101,099 | 89,166 |
| Creditors | | | |
| Amounts due in more than one year | 9 | (36,406) | (31,334) |
| Net assets | | 64,693 | 57,832 |
| Represented by: | | | |
| General fund | 11, 12 | 53,736 | 46,636 |
| Restricted funds | 11, 12 | 10,957 | 11,196 |
| | | 64,693 | 57,832 |

The financial statements were approved by the Board of the Corporate Trustee and authorised for issue on 26 October 2023 and signed on its behalf by:



Mr Norbert Reis
Director

The accompanying notes from pages 22 to 33 are an integral part of this balance sheet.

Statement of Cash Flows

For the year ended 31 December 2022

| | | 2022 | 2021 |
|---|-------|----------------|----------|
| | Notes | £000 | £000 |
| Cash flows from operating activities: | | | |
| Net cash provided by operating activities | 13 | 2,471 | 9,080 |
| Cash flows from investing activities: | | | |
| Dividends, interest and rent from investments | | 24 | 19 |
| Purchase of property, plant and equipment | | (8,251) | (23,733) |
| Net cash used in investing activities | | (8,227) | (23,714) |
| Cash flows from financing activities: | | | |
| Loan interests | | (1,534) | (446) |
| Repayments of borrowings | | - | (135) |
| Cash inflows from new borrowing | | 3,468 | 4,292 |
| Net cash provided by financing activities | | 1,934 | 3,711 |
| Change in cash and cash equivalents in the year | | (3,822) | (10,923) |
| Cash and cash equivalents at the beginning of the year | | 8,582 | 19,505 |
| Cash and cash equivalents at the end of the year | | 4,760 | 8,582 |

The accompanying notes from Pages 22 to 33 are an integral part of this Statement of Cash Flows.

1. Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 01 January 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts have been prepared under the historical cost convention, as modified by the revaluation of investments to market value. The SS John and Elizabeth Charity meets the definition of a public benefit entity under FRS 102.

Key judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Estimating the useful economic life of fixed assets for the purposes of calculating the depreciation charge
- Estimating the recoverability of debtors and determining any necessary provision for bad or doubtful debts
- Estimating accruals with respect to expenditure incurred on charitable activities at year end date

The principal accounting policies are summarised below.

Fixed assets

All fixed assets are initially recorded at cost where this value is greater than £1,000.

Depreciation

Freehold land is not depreciated. Other fixed assets are written off by equal annual instalments over their expected useful lives as follows:

- Buildings are stated at cost and are depreciated from 1 January 1978 or later date of acquisition over 50 years.
- Building refurbishments are depreciated over 10 years.
- Machinery, equipment, fixtures and fittings are stated at cost and depreciated over 3 to 10 years
- Motor vehicles are stated at cost depreciated over a 5 year period

For assets under construction, no depreciation is recorded until the asset is placed in use. When the construction is completed, the assets will be capitalised and depreciated accordingly to the type of fixed assets.

Going Concern

On the basis of their assessment of the charity's financial position the Trustee Directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Stocks

Stocks are valued at the lower of cost and net realisable value. Replacement cost is not considered to differ materially from bought in cost.

Debtors

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

Investments

Fixed asset Investments are stated at their bid value at the balance sheet date. All movements in value arising from investment charges or revaluation are shown in the Statement of Financial Activities. Net realised gains or losses on investments are calculated as the difference between the disposal proceeds and the historical cost or from the movement in market values during the year.

Current asset investments are investments which are held for sale and measured at their fair value.

Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the entitlement and the amount. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy.

Income from charitable activities includes income from private patients' services which is recognised when the service is provided, and income received under contract which is recognised as earned.

Income is deferred when it is received in advance of services being provided to which it relates.

Expenditure

All expenditure is accounted for on an accruals basis:

- Raising funds - expenditure incurred on staff specifically employed for fundraising and the cost of specific campaigns and events for the raising of donations
- Charitable activities - expenditure which is directly attributable to pursuing the Hospital's charitable objects
- All irrecoverable VAT is recorded in the appropriate expense category
- Support costs, including governance costs, are allocated to activity cost categories on a basis consistent with the use of resources e.g. by occupied floor areas, per capita, full time equivalents, IT ports and other costs by their usage

Funds

Restricted Funds

Donations received for specific purposes, such as the Hospice, are treated as Restricted Funds. Related costs, including depreciation, are charged against these funds.

Unrestricted Funds

These comprise accumulated surpluses and deficits on the Statement of Financial Activities, excluding restricted funds. They are available at the discretion of the Corporate Trustee in furtherance of the general charitable objectives of the Hospital.

Finance and operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

Assets purchased under finance lease are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written-off to the Statement of Financial Activities over the period of the lease so as to produce a constant periodic rate of charge.

Finance costs

Finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as they form part of the cost of that asset. The capitalisation rate used is 3.2%. Other Finance costs are recognised as an expense.

Pension

The Charity operates a number of defined contribution pension schemes. Principal amongst these is the automatic enrolment into the People's Pension. The Charity also funds personal pensions provided by Aviva.

Eligible employees are able to remain members of the National Health Service Pension Scheme. The assets of each scheme are held separately from those of the Charity in independently administered funds.

Taxation

The Hospital is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the Hospital is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

No tax charge arose in the period.

Financial Instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans (Note 9) which is subsequently measured at amortised cost using the effective interest method.

Measurement of other basic financial instruments as follows:

- Cash is measured at cash held
- Debtors is measured at settlement amount after trade discounts or amounts advanced by the charity
- Creditors is measured at settlement amount or amount advanced to the charity
- Bank deposit is measured at cash amount of deposit

2. Income

(a) Income in respect of Total Funds:

| | 2022 | 2021 |
|--|---------------|--------|
| | £000 | £000 |
| Voluntary Income | | |
| Donations | 2,058 | 713 |
| Legacies | 10,709 | 3,498 |
| | 12,767 | 4,211 |
| Other trading activities | | |
| Income from shop | 170 | 95 |
| Income from events and the community | 278 | 43 |
| | 448 | 138 |
| Income from investments | | |
| Dividends, Interest | 24 | 19 |
| | 24 | 19 |
| Income from charitable activities | | |
| Income from fee paying patients | 57,310 | 51,972 |
| Grant Income | - | 61 |
| CCG income | 3,893 | 3,533 |
| | 61,203 | 55,566 |
| Total income | 74,442 | 59,934 |

(b) Income in respect of Restricted Funds :

| | 2022 | 2021 |
|--------------------------|---------------|-------|
| | £000 | £000 |
| Donations - Hospice | 2,058 | 713 |
| Legacies | 10,709 | 3,498 |
| Other trading activities | 448 | 138 |
| | 13,215 | 4,349 |

3. EXPENDITURE ANALYSIS

| | | | 2022 | 2021 |
|---------------------------------------|-------------------------|--------------------------|-----------------------------|---------------|
| | Direct Costs £000 | Support Costs £000 | Total £000 | Total £000 |
| Costs of raising funds | | | | |
| Costs of generating voluntary income | 537 | 301 | 838 | 610 |
| Fundraising : Retail shops and events | 174 | - | 174 | 189 |
| Charitable activities | | | | |
| Medical nursing and ancillary costs | 40,158 | 26,314 | 66,472 | 56,185 |
| | 40,869 | 26,615 | 67,484 | 56,984 |

Total expenditures in 2021 consisted of £55,940,000 unrestricted and £1,044,000 restricted funds.

Support costs totalling £26,615,000 (2021 : £20,415,335) have been allocated to activity cost categories on a basis consistent with the use of resources e.g. by occupied floor areas, per capita, full time equivalents and other costs by their usage. These include costs associated with providing IT, payroll, personnel, finance, estates and other central services to the Charity's staff, volunteers and governance costs.

| | 2022 | 2021 |
|---|--------------|-------|
| | £000 | £000 |
| Included within charitable activities: | | |
| Governance costs : | | |
| Auditors remuneration - statutory audit | 53 | 40 |
| Legal fees | 276 | 115 |
| Rentals in respect of operating leases | 437 | 437 |
| Depreciation is split between assets owned and those under finance leases as follows: | | |
| Assets owned | 5,889 | 4,240 |
| Assets under finance leases and hire purchase | 13 | 13 |
| | 5,902 | 4,253 |
| Interest is payable as follows: | | |
| On bank overdraft and other bank funding | 1,534 | 446 |
| | 1,534 | 446 |

4. EMPLOYEES

| | 2022 | 2021 |
|--|---------------|--------|
| | No. | No. |
| The average number of employees, based on headcount, including directors and bank staff during the year was: | | |
| Fundraising | 9 | 8 |
| Retail shop | 2 | 2 |
| Other charitable activities | 640 | 612 |
| Total employees | 651 | 622 |
| The aggregate emoluments paid to employees was: | | |
| | £000 | £000 |
| Salaries and wages | 24,847 | 23,320 |
| National insurance costs | 2,867 | 2,542 |
| Pension costs | 1,130 | 1,045 |
| Other staff costs | 4,478 | 2,562 |
| | 33,322 | 29,469 |
| Other staff costs relate to fees paid for agency staff | | |
| | 2022 | 2021 |

The number of employees whose emoluments, as defined for tax purposes, amounted to over £60,000 in the year was as follows:

| | | |
|---------------------|-----------|----|
| £60,000 - £69,999 | 23 | 18 |
| £70,000 - £79,999 | 16 | 10 |
| £80,000 - £89,999 | 7 | 9 |
| £90,000 - £99,999 | 3 | 5 |
| £100,000 - £109,999 | 1 | 3 |
| £110,000 - £119,999 | 5 | 3 |
| £120,000 - £129,999 | 2 | 0 |
| £130,000 - £139,999 | 3 | 2 |
| £140,000 - £149,999 | 1 | 0 |
| £220,000 - £229,999 | 1 | 1 |

A contribution of £226,466 (2021: £232,739) was made to money purchase pension schemes in respect of higher paid staff.

Neither the Corporate Trustee nor any of its other directors received remuneration for their trustee's services during the year. No Trustees expenses was paid during the year.

For details of Related Party Transactions, please refer to Note 15 - Related Party Transactions.

The key management personnel of the Charity comprise of the Chief Executive Officer, Chief Financial Officer and Chief Nursing Officer. The total employee benefits of the key management personnel of the Charity were £625,411 (2021: £606,594).

Redundancy and contract termination payments are expensed as incurred through the SOFA. During the year, redundancy and termination costs of £151,015 were formally agreed under employment contracts (2021: £68,796).

5. Tangible Assets

| | Freehold Land | Building | Machinery, Equipment, Fixtures and Fittings | Assets under Construction | Total |
|---------------------------------|------------------|-----------------|--|------------------------------|-----------------|
| | £000 | £000 | £000 | £000 | £000 |
| Cost | | | | | |
| As the beginning of the period | 1,782 | 61,684 | 43,355 | 27,029 | 133,850 |
| Additions | - | - | 708 | 7,543 | 8,251 |
| Disposals | - | - | (13) | - | (13) |
| Transfers | - | 20,428 | 10,298 | (30,726) | - |
| At the end of the period | 1,782 | 82,112 | 54,348 | 3,846 | 142,088 |
| Depreciation | | | | | |
| As the beginning of the period | - | (21,712) | (31,769) | - | (53,481) |
| Disposals | - | - | 8 | - | 8 |
| Charge for the year | - | (2,534) | (3,368) | - | (5,902) |
| At the end of the period | - | (24,246) | (35,129) | | (59,375) |
| Net book value | | | | | |
| 31 December 2022 | 1,782 | 57,866 | 19,219 | 3,846 | 82,713 |
| 31 December 2021 | 1,782 | 39,972 | 11,586 | 27,029 | 80,369 |

Total operating lease commitments

The amount payable for the future commitments as at the balance sheet date are:

| | Land & Buildings | | Other | |
|----------------------------|-----------------------------|------|--------------|------|
| | 2022 | 2021 | 2022 | 2021 |
| | £000 | £000 | £000 | £000 |
| Within 12 months | 75 | 75 | 134 | 347 |
| Between two and five years | 3 | - | - | 41 |
| | 78 | 75 | 134 | 388 |

The land and buildings lease relates to the rental of the charity shop premises.

6. Investments

| | 2022 |
|---------------------------------------|-------------|
| | £000 |
| Market Value | |
| Value at 1 January 2022 | 934 |
| Decrease in value of securities | (97) |
| Value at 31 December 2022 | 837 |
| Historical cost of investments | |
| at 31 December 2022 | 335 |
| at 31 December 2021 | 335 |

Investments are UK listed.

7. Debtors

| | 2022 | 2021 |
|-------------------------------------|---------------|-------|
| | £000 | £000 |
| Private patient accounts receivable | 7,474 | 4,425 |
| Other debtors | 220 | 318 |
| Prepayments and accrued income | 2,854 | 3,042 |
| All amounts are due within one year | 10,548 | 7,785 |

8. Investments

The Investment relates to a legacy donation of landed property to the Hospital by testament. The asset is held for sale and will be disposed of in 2023/24 at the prevailing market conditions.

9. Creditors

| | 2022 | 2021 |
|---|---------------|--------|
| | £000 | £000 |
| Amount falling due within one year | | |
| Secured loans (see note 10) | 135 | 135 |
| Trade creditors | 3,521 | 3,440 |
| Taxes and social security | 766 | 689 |
| Other creditors | 3,386 | 4,601 |
| Deferred income | 1,617 | 1,142 |
| | 9,425 | 10,007 |
| Amount falling due in more than one year | | |
| Secured loans (see note 10) | 36,406 | 31,334 |
| | 36,406 | 31,334 |
| Deferred income | | |
| Opening balance 1 January 2021 | 1,142 | 822 |
| Released in 2022 | (1,142) | (822) |
| Deferred in current year | 1,616 | 1,142 |
| Closing balance 31 December 2022 | 1,616 | 1,142 |

Income is deferred when it relates to services that will be provided in a future accounting period.

10. Loans

| | | | 2022 | 2021 |
|-------------------------------------|-------------------|----------------|---------------|--------|
| | Barclays Facility | Brampton Trust | Total | Total |
| | £000 | £000 | £000 | £000 |
| (a) Analysis | | | | |
| Balance at beginning of the period | 30,860 | 609 | 31,469 | 27,312 |
| Additions | 5,005 | 67 | 5,072 | 4,292 |
| Repayments | - | - | - | (135) |
| Balance at end of the period | 35,865 | 676 | 36,541 | 31,469 |
| (b) Maturity | | | | |
| Repayable by instalments | | | | |
| - due within one year | - | 135 | 135 | 135 |
| - due within five years | 35,865 | 541 | 36,406 | 474 |
| - due in more than five years | - | - | - | 30,860 |
| | 35,865 | 676 | 36,541 | 31,469 |

The Barclays Facility Loan was taken out on 03 May 2017 for a period of ten years for the construction of the new Hospital development and to consolidate existing loans. The loan is secured by a first fixed legal charge over the Charity's freehold land at 60, Grove End Road. The interest rate is on a base rate basis and a 2.50% margin per annum.

The next phase of drawdown of £3.4m from the facilities agreement to fund the Hospital Development was finalised in December.

Finance costs capitalised in the year amounted to £983,121 (2021: £627,210).

The Brampton loan was initially recognised and measured at the amount received, with the carrying amount adjusted in subsequent years to reflect repayments. The Brampton Trust holds a second fixed legal charge over the Charity's freehold land at 60 Grove End Road in respect of the loan.

The Brampton Trust loan is interest-free and is a concessionary loan repayable with quarterly repayments of capital.

11. Funds

| | | Movement in resources | | | | |
|----------------------------------|-----|---|----------------|---------------------|---|---|
| | | Balance at 1 January 2022 £000 | Income £000 | Expenditure £000 | Transfers/ investment gains £000 | Balance at 31 December 2022 £000 |
| Restricted funds | | | | | | |
| Butterworth Centre Development | (a) | 3,230 | - | (103) | - | 3,127 |
| Hospice extension | (b) | 54 | - | - | - | 54 |
| Brampton House capital appeal | (c) | 1,406 | - | (39) | - | 1,367 |
| Department of Health grants | (d) | 179 | - | (5) | - | 174 |
| Department of Health Grant 10/11 | (d) | 454 | - | (14) | - | 440 |
| The Wolfson Foundation | (e) | 101 | - | (3) | - | 98 |
| Hospice IPU Development | (f) | - | - | (98) | 98 | - |
| Hospice Donations | (g) | 357 | 2,506 | (2,484) | - | 379 |
| Legacies | (h) | 5,415 | - | - | (98) | 5,317 |
| | | 11,196 | 2,506 | (2,746) | - | 10,957 |
| Unrestricted funds | | 46,636 | 71,936 | (64,738) | (98) | 53,736 |
| Charity funds | | 57,832 | 74,442 | (67,484) | (98) | 64,693 |

(a) Butterworth Centre Development Fund

A contract with Kensington & Chelsea CCG and Westminster CCG was entered into to redevelop the Butterworth Centre site, to enable it to be used for the accommodation and care of elderly people with mental illness. The outflow against these funds relates to depreciation of the Butterworth Centre building.

(b) Hospice extension fund

This represents donations received towards the Hospice extension.

(c) Brampton House Capital Appeal

This represents donations received specifically for the Brampton House redevelopment which completed in early 2008 and is now home to the St John's Wood NHS Medical Practice, 31 outpatient consulting rooms, two endoscopy rooms and the Corporate Offices of the Hospital. The outflow against these funds relates to depreciation of Brampton House.

(d) Department of Health grant

This represents grants received from the DOH under the section 64 grant scheme to enable the Charity to improve the environment of St Johns Hospice for older people.

This grant was fully expended as an investment in Tangible Fixed Assets as shown at Note 12. The outflow against these funds relates to depreciation. The 2010 grant was used to substantially improve the appearance, layout and facilities of the Hospice.

(e) The Wolfson Foundation grant

A grant from the Wolfson Foundation was received in 2011 for the purpose of refurbishing and improving the Hospice facilities. This grant was fully expended as an investment in Tangible fixed assets as shown at Note 12. The outflow against these funds relates to depreciation.

(f) Hospice IPU Development

This represents donations received towards the development of the Hospice Inpatient Unit.

(g) Hospice donations

These are general donations towards the Hospice as a result of the fundraising activities during the year.

(h) Legacies

Fund from legacies were bequeathed for the benefit of the Hospice. £98,000 was transferred from legacies to complete the development of the Hospice Inpatient unit.

12. Analysis of Net Assets between Funds

| | Tangible fixed assets | Investments | Net Current Assets | (Liabilities) due after more than one year | Total |
|-------------------------------|-----------------------------|-------------|-----------------------|---|---------------|
| | £000 | £000 | £000 | £000 | £000 |
| Restricted funds | | | | | |
| Wiseman House development | 3,127 | - | - | - | 3,127 |
| Hospice extension fund | - | - | 54 | - | 54 |
| Brampton House Capital Appeal | 1,367 | - | - | - | 1,367 |
| Dept of Health Grant | 174 | - | - | - | 174 |
| Dept of Health Grant 10/11 | 440 | - | - | - | 440 |
| The Wolfson Foundation | 98 | - | - | - | 98 |
| Hospice Donations | - | - | 379 | - | 379 |
| Other Legacy | - | - | 5,317 | - | 5,317 |
| Unrestricted funds | 77,506 | 837 | 11,799 | (36,406) | 53,736 |
| | 82,713 | 837 | 17,550 | (36,406) | 64,693 |

Free reserves are defined as the net current assets and investment held as unrestricted funds excluding cash from the loan drawdown held for the planned Development (HJE2020).

13. Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities

| | 2022 £000 | 2021 £000 |
|-------------------------------------|----------------|--------------|
| Net surplus for the year | 6,860 | 3,075 |
| Depreciation charges | 5,902 | 4,253 |
| Net losses / (gains) on investments | 98 | (124) |
| Other non cash adjustments | (8,591) | - |
| Dividend and interest income | (24) | (19) |
| Increase / (Decrease) in stock | 37 | (77) |
| (Increase) / Decrease in debtors | (2,763) | 529 |
| (Decrease) / Increase in creditors | (581) | 998 |
| Interest paid | 1,534 | 445 |
| | 2,471 | 9,080 |

14. Analysis of Changes in Net Debt

| | Balance at 1 January 2022 | Cashflows | Other Non- cash Changes | Balance at 31 December 2022 |
|----------------------------------|--|------------------|--|--|
| | £000 | £000 | £000 | £000 |
| Cash and cash equivalents | | | | |
| Cash | 8,582 | (3,822) | - | 4,760 |
| | 8,582 | (3,822) | - | 4,760 |
| Borrowings | | | | |
| Debt due within one year | (135) | | | (135) |
| Debt due after one year | (31,334) | (3,468) | (1,604) | (36,406) |
| | (31,469) | (3,468) | (1,604) | (36,541) |
| Total | (22,887) | (7,290) | (1,604) | (31,781) |

15. Contingent Liabilities

HJE is involved in a number of disputes arising in the normal course of business. The likely outcome of these disputes cannot be predicted and reliable estimates of any potential obligation may not be possible.

16. Related Party Transactions

Professor Margaret Johnson an elected director was reimbursed expenses relating to her services as a Respiratory Consultant in the amount of £14,911. The Charity received £28,950 from her relating to amounts invoiced for room rental, secretarial fees, diagnostics, and drugs. This amounts to a net benefit of £55,811 compared to the actual cost of delivering these services.

The Charity takes out Indemnity Insurance to indemnify the Corporate Trustee and its officers against possible liabilities incurred by them in relation to their duties. The cost of this insurance was £105,212 (2021: £102,480).

The Brampton Trust, whose main object is to pay its income to the Charity and has one trustee who is also a director of the Corporate Trustee of the Charity, paid the sum of £250,000 (2021: £100,000) towards the running costs of the Charity. The sum was specifically for the purpose of partially financing the costs of the Macmillan nurses in the Hospice.

The Brampton Trust also provided the Charity with an interest free loan with a balance of £676,667 at 31 December 2022 (2021: £609,000). Quarterly loan repayments are set at £34,000.

Brampton Trust extended the loan repayment holiday to 2Q 2022 with a resumption in repayments in 3Q 2022.

The Trust also owns three properties from which the Hospital benefits, Brampton House, the Butterworth Centre and 38 Circus Road, for which the Hospital pays peppercorn rents and which generates rental income for the Charity.

17. Pension Scheme

The Charity operates a number of defined contribution pension schemes. Principal amongst these is the automatic enrolment into the People's Pension. The Charity also funds personal pensions provided by Aviva. Eligible employees are able to remain members of the National Health Service Pension Scheme. The assets of each scheme are held separately from those of the Charity in independently administered funds.

The pension cost charge represents contributions payable by the Charity to the defined contribution funds as well as to the NHS defined benefits Multi-employer scheme and amounted to £1,130,547 (2021: £1,009,312). £185,763 (2021: £169,667) was payable to the fund at the year end.

18. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £689,021 (2021: £3,817,441).