



The St Peter and St James Charitable Trust

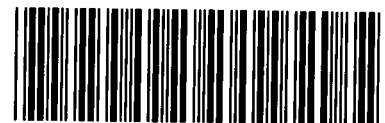
Annual Report and Consolidated Financial Statements

Year ended 31 March 2019

Charity number 1056114

Company number 3204919

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About us

From the Chair and Chief Executive

We have developed our new clinical strategy which is now front and centre of our ambitions for the future of St Peter & St James Hospice. At the heart of this is a commitment to person-centred care and an 'integrated approach'. We recognise all aspects of our services and support are equally valuable to individuals and their families. We know the opportunity to attend an art class, a discussion group or have a befriender visit is not just 'nice to have' but a 'lifeline' for someone who is struggling to hold on to their sense of who they are in the midst of illness.

Our ambitions are to:

- **Identify and meet need** – to engage with people who use our services now or in the future to understand their expectations and choices at the end of their lives
- **Support people to live well** – to focus on what matters most to people at the end of their lives
- **Extend our reach** – to offer support to more people who can benefit from being connected to the hospice
- **Develop our expertise** – focusing on education, learning and development for our staff and volunteers and the professionals they work with in the community.

St Peter & St James Hospice continues to provide expert care and support for people with complex needs at the end of their lives and to those close to them. We have supported over 1,000 people living with terminal illness, most of whom wish to die in their own home. In the last year, 182 have been cared for in the beautiful surroundings of the hospice.

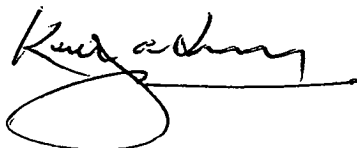
Our connections to and across our community are hugely important to us. Most of our 138 staff and 440 volunteers live within a few miles of the hospice. To our supporters, fundraisers and business community we are very much their 'local hospice' and a resource they are proud to have in their local community.

With a now robust financial position, we are poised to take forward these ambitions and translate them into action in our local community. Of course, there will always be more need than resources available, but as we grow and flex our services to be modern and relevant for the future we believe people will want to continue to support our vital work; not least in this is our ambition to start, even in a small way, to provide hospice care at home in the coming year.

We are hugely grateful to our funders and supporters for their continued commitment to the hospice. Of course, we could not do what we do without our teams of skilled and experienced staff and volunteers, including our trustees, who ensure high quality, responsive care is available through St Peter & St James Hospice.

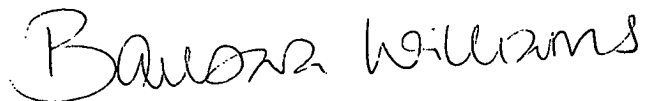
Keith Banbury OBE

Chair



Barbara Williams

Chief Executive



Who we are and how we help

We provide expert and compassionate care to adults living with terminal illness, delivering care at the hospice and in people's own homes. The core of our work remains caring for people throughout the last year of life and supporting families and loved ones through the challenges of illness, bereavement and grief.

Our continuum of care extends long after someone's death, with a full range of grief support. From individual counselling, to support groups and specialised workshops, we're here for our community when it matters most.

Hospice care is full of life

Many people think a hospice is a building where you go to die. We challenge that perception. Our work is about helping people to live well by creating a sense of wellbeing and security for them and their loved ones; relieving their symptoms, improving their understanding of what is happening to them and enabling them to spend time with those most important to them, whether that's in their own home, a care home or here at the hospice.

Our history

We've been here for our community for many years. Our founders, Jim and Susan Dinnage originally ran a donkey sanctuary and after their son Peter died of cancer in 1954, St Peter's was created as a house where sick or disabled children could stay with their families. Following Jim Dinnage's death in 1963, Susan started the St Peter & St James Holiday Home for the Disabled. It was registered as a nursing home in 1977 and in 1980 the first ever hospice patients were admitted.

The objects of our Charity as set out in the Articles of Association are:

- ❖ To maintain St Peter and St James Hospice as a centre for the provision of nursing and palliative care for people with progressive life-limiting illness, on a non-profit making basis, both in the Hospice and in the community;
- ❖ To advance research and education into palliative and end of life care;
- ❖ To relieve the suffering of people facing or experiencing bereavement through the provision of counselling and support;
- ❖ In recognition of its origin as a Donkey Club, to contribute to the aid and succour of needy donkeys on its own premises or elsewhere.

To this day, we have donkeys on site. Our 'boys', Dylan and Dudley provide a great source of comfort (and entertainment!) to families and their loved ones.

Our supporters

The financial support we receive from individuals and families in our community, our fundraising Support Groups, local businesses and Trusts covers the majority of the running costs needed to provide our services. 72.5% of our total funds are used to employ our expert staff, many of whom are clinicians specialising in palliative care and support.

Without these charitable funds, we could not exist and we are extremely grateful to all who support us to care for our local community.

Our volunteers

Whether days or decades, minutes or months, every moment of volunteering matters.

Volunteers play a vital role in supporting our work. Every hour of time a volunteer gifts to us helps to deliver more care to people facing death or bereavement in our community, and without this support the Hospice would not be able to function.

Volunteers are involved in all aspects of our work and roles include local hospice ambassadors, receptionists, gardeners, complementary therapists, retail assistants, bereavement support team members, drivers, fundraising support group members, befrienders, meal servers, flower arrangers and many more.

Neal Strutt, who won our Outstanding Volunteer of the Year award in 2018, started volunteering at the Hospice in March 2017 and feels that his experiences here have changed his life.

"Volunteering here has taught me so much. I've learnt to appreciate the little things in life and be grateful. Volunteering has also built my confidence; recently I felt ready to go back to work and I now have a job at the hospice on a Monday and Friday evening, helping out in the kitchen washing up. Making the decision to go back to work was a big one and it does get scary at times, but again I am part of a lovely, brilliant team who are so supportive. I plan to return to my volunteering at the warehouse again soon too!

I couldn't recommend volunteering at the hospice more. It was one of the best decisions I have ever made."

440 volunteers give their time to make it possible for us to reach further, do more, raise more and be there for more people. These volunteers include the members of our Board of Trustees, who are responsible for the overall control and direction of the hospice.

Our strategy

To ensure high quality, safe care now and in years to come, we maintain a healthy balance between clinical service delivery, financial management and sound governance.

Our strategy sets out how we will achieve our charitable objectives including the principal activity and public benefit of the provision of hospice care and services:

Strategic Aim 1:

Provide high-quality, effective clinical services and support towards, at and after the end of life

Strategic Aim 2:

Generate sustainable funding and maximise resources to provide services for as long as we are needed

Strategic Aim 3:

Operate a well-governed, sustainable business

Key activities in 2018/19

Priority: Agree a Clinical Strategy to shape the future of our hospice

The key themes of our Clinical Strategy, which was approved by the board of trustees in September 2018, are:

- To identify and meet need
- To enable people to live well
- To extend our reach
- To develop our expertise

In 2019/20 our plans are to bring the strategy to life through:

- A programme of individual interviews and focus groups highlighting the need for and experience of our services
- Extending our well-being services to provide more opportunities for people to benefit from activities and therapies at the hospice and in the community through developing partnerships and collaborations
- Extending our befriending and carer support services to more people in our local community and offering more choice to people at the end of life through the development of a hospice at home service
- Appointing a Practice Educator to develop our internal education programme and support on-going learning and development for staff and volunteers

Priority: Develop innovative education tools to support more providers in our community to develop the capabilities and confidence to deliver excellent end of life care

Recognising that St Peter & St James Hospice did not have the resources to act independently in developing education resources, we were pleased to be able progress this work as part of the Sussex Hospice Collaboration Project. The development of Project Echo has been prioritised - a Hospice UK backed programme that uses video conferencing to support the development of communities of practice across care homes and primary care services, enabling hospices to share their expertise and support professional development. The seven Sussex Hospices will work together to develop a proposal for implementation in 2020.

Priority: To ensure individual experience and feedback informs our service development and improvement

To ensure person-centred care is central to our approach, opportunities to provide feedback have been refreshed and more systematically reported to inform our planning for the future. Our experience of 'journey mapping' led us to identify key touch points for people who use the hospice and these are now a focus of our service improvement activity:

- Arrival at the hospice
- First night
- When things change

In 2019/20 we expect to:

- Have more systematic reporting on comments, compliments and complaints
- Develop a framework for interviews and focus groups and train volunteers to support a programme of user involvement

Priority: Develop plans to diversify income

We have developed plans to invest in diversifying our fundraising income and particularly to grow the numbers of regular donors and committed givers. Following a review of options for potential income generation, this was identified as the most cost-effective way to generate new income. We also developed plans to consolidate our income generation by bringing our fundraising and retail teams together as part of a restructuring programme for implementation in 2019.

Priority: Increase our presence on the high street with more retail outlets

We opened a new shop in Heathfield to maintain our number of retail outlets and have kept further options under review.

In 2019/20 we expect to:

- See the benefits of integrating fundraising and retail teams with increased efficiency and a rise in our income from both sources
- Develop an income generation plan and bring forward business cases for new fundraised income streams for the future

Priority: Operate a well-governed, sustainable business

Trustees commissioned a Board Effectiveness Review led by Cass Business School. An action plan was created which has been overseen by the Board Development Committee, a sub-committee of the board. As a result of the review the committee structure was revised with the new approach being implemented from 1 April 2019.

Following the Review and in the light of the ambitions set out in the clinical strategy, proposals for restructuring of the senior team at the hospice were consulted on and also implemented from 1 April 2019.

In 2019/20 we expect to:

- Implement a revised organisational staffing structure and committee structure for our board
- Recruit new trustees to fill vacancies through an open process involving staff and volunteers in the selection process

Priority: Improve communications

Our staff and volunteer survey in the summer of 2018 highlighted communications across the organisation as a key issue. This has been reported back to staff and volunteers in a 'you said... we did' format. As a result improvements have been made to staff and volunteer induction, and appraisal processes have been standardised. As a result of suggestions, our café is now open 5 days a week and areas of the hospice have been refurbished and refreshed.

In 2019/20 we expect to:

- Bring forward plans for digital transformation and communications to ensure the hospice is maximising the opportunities presented by digital and IT solutions in our work, particularly in reducing silo-working
- Complete all the actions from the staff and volunteer survey and provide feedback on progress

Our fundraising activities

We solicit donations through:

- highlighting the significant benefit that the hospice receives through gifts left in wills
- direct marketing to individuals who have expressed an interest in the hospice
- raising awareness of the care we deliver through the sharing of stories within our own literature and across local media
- development and participation in fundraising events where supporters raise funds
- raising funds in the local community including through ten fundraising support groups
- our lottery which is outsourced to the Local Hospice Lottery, a professional fundraising organisation
- soliciting gifts from companies, charitable trusts, foundations and other statutory grant giving organisations

We occasionally use professional fundraisers as part of direct appeals. Each of these partners is selected through a due diligence process which includes checking their direct compliance with fundraising regulation and legislation where applicable. We will always act in accordance with the Charities Act 2011 when using third party professional fundraising organisations.

Listening to our supporters

We are committed to the highest standards of supporter care and we comply with the key principles and behaviours of the new Code of Fundraising Practice issued by the Fundraising Regulator which becomes effective in October 2019. We also comply with all Charity Commission guidance and legislation including the key fundraising principals outlined in the Charities Act 2011.

We understand that personal data is entrusted to us and appreciate the importance of protecting and respecting the privacy of our supporters; to this end we comply fully with the data protection law in force in the UK and with all applicable confidentiality law and guidelines. The introduction of the General Data Protection Regulation has allowed us the opportunity to contact approximately 12,000 supporters to ensure that only those who want to hear from the hospice are contacted in the future.

We take complaints very seriously and have developed a Complaints Comments & Compliments Policy where complaints are compiled in a feedback log with the aim of investigating and resolving each complaint in a timely way.

During 2018/19 we registered two complaints about our fundraising across all of the activities outlined above. Each of these complaints were investigated and resolved as outlined in our policy. These complaints were detailed in our annual return to the Fundraising Regulator.

Income generation

We saw our voluntary (fundraised and legacy) income rise to over £3 million pounds for the first time in our history. Legacy income made a significant contribution reaching a record contribution of £1.6m.

To support our future legacy income we developed a sustained, multi-channel legacy campaign to encourage supporters to consider leaving a gift in their will. The campaign featured in 20 different print publications with advertising appearing in local bus stops and outdoor digital advertising screens. We have also produced an extensive range of literature to raise awareness, and trained staff to increase their knowledge and confidence when dealing with legacies.

We continued to make progress in growing our donor base with individual giving reaching half a million pounds during the year. We have a number of planned activities with our local community to help build support and regular donations in the future.

During the latter part of the year we developed plans to rationalise the organisational structure, merging fundraising and retail to create an income generation department. We also intend to develop a new income generation plan to start in 2020/21 and this will focus on providing the funding to underpin our new clinical strategy.

Whilst delivering income for our new services, we also look forward to planning and delivering a capital appeal with the key aim of refurbishing and equipping the hospice for the 21st century.

Structure, Governance and Management

The St Peter and St James Charitable Trust (the "Charity") is a Company limited by guarantee, not having a share capital. It is governed by a Board of Trustees within the Memorandum and Articles of Association dated 19 April 1996 as amended by Special Resolutions dated 26 October 2001, 15 September 2004, 18 September 2013, and 3 October 2018.

St Peter and St James Hospice Shops Ltd ("Shops") is a wholly owned subsidiary of the Charity whose main purpose is to sell goods to raise funds for the Charity. All profits are donated to the Charity.

The Friends of St Peter and St James ("Friends") is a registered charity, whose objects are to relieve the patients of the Hospice who are sick, convalescent, disabled, handicapped or infirm and generally to support the charitable work of the Hospice to whom the Friends of St Peter and St James are ultimately responsible. At a Special Meeting of the Friends of St Peter and St James in February 2019, it was agreed to link this charity to the Hospice Charity.

The totality of the three entities above is for the purpose of this report referred to as the "Group".

The Group is administered by a Board of Trustees that meets regularly throughout the year. The Chief Executive is appointed by the Trustees to manage the executive operation of the Charity with the support of the Senior Leadership Team and has delegated authority for day-to-day management of the Charity.

Honorary President

Dame Vera Lynn CH, DBE

Patrons

Anne Billson
The Viscount Brentford
Sir Edward Cazalet
Katie Derham
Edward Fox OBE
Piers Morgan
Edna Sugarman

Trustees

Keith Banbury OBE (Chair)
Harriet Creamer (Vice Chair)
Dr Nick Barrie
Kate Birrell (resigned 23 Jan 2019)
Julie Burgess
Andrew Cook
David Crudge
Christine Gibbons
Tim Hancock
Jo July (resigned 23 Jan 2019)
Deirdre Prower

Trustees appointed since 1 April 2019:

John Hills (appointed 5 June 2019)
Robin Knight (appointed 5 June 2019)
Patricia Robinson (appointed 5 June 2019)

Senior Leadership Team

Chief Executive

Barbara Williams

Deputy Chief Executive

Caroline Harding (resigned 30 November 2018)

Head of Nursing and Clinical Care

Anne Jackson

Lead Consultant

Dr Charles Skinner

Head of Fundraising

Giles Witcomb

Head of Finance

Judy Vidler
(appointed 1 June 2018, left 16 Sept 2018)

Andrew Collins (appointed 4 February 2019)
(Jody Sharp covered interim period)

Head of Wellbeing Services

Melanie Lockett

Head of Retail

Thérèse Wilson (resigned 31 March 2019)

Committees

The following committees support, and report to, the full Board

- Quality and Safety Committee
- Finance Committee
- Business and Operations Committee
- Fundraising and Marketing Committee
- Retail Committee

All of the above committees include both Trustees and members of the Senior Leadership Team.

In addition, a Board Development Committee (Trustees only) exists to take responsibility for the recruitment, induction and training of Trustees. A skills and experience audit is undertaken to determine the requirements to fill any vacancy arising, ensuring the Board and its Committees contain the requisite skills and experience to function effectively.

Trustee vacancies are advertised on the Hospice website and prospective Trustees are shortlisted for interview. Subject to a successful interview, a recommendation is made to the Board which then takes the decision whether to appoint. Prospective Trustees are invited to a Board meeting as observers prior to the appointment decision.

Following appointment, Trustees are provided with governance documentation, current operational reports and are offered a structured induction programme.

The term of office for individual Trustees is four years, with a maximum of one renewal. New Trustees appointed by the Board are subject to formal appointment at the next AGM.

There are seven departments within the Charity each managed by a member of the Senior Leadership Team. The Chief Executive salary is determined using an independent salary survey, developed in association with Hospice UK. Senior Leadership Team salaries are delegated to the Chief Executive to determine within budgetary constraints.

Collaboration and coordination are key to the patient experience and the Charity strives to maintain good working relationships with local GPs, Clinical Commissioning Groups, local authorities, other healthcare providers, and charities, including other Hospices.

Key addresses

Registered Office

The St Peter and St James Charitable Trust
North Common Road
North Chailey
Lewes
East Sussex
BN8 4ED

Auditors

Knill James
Chartered Accountants
One Bell Lane
Lewes
East Sussex
BN7 1JU

Bankers

Barclays Bank Plc
77 South Road
Haywards Heath
West Sussex
RH16 4LB

Solicitors

Sherrards Employment Law Solicitors
4 Albourne Court
Henfield Road
Albourne
BN6 9DB

Adams & Remers
Trinity House
School Hill
Lewes
BN7 2NN

Investment Managers

Rathbones
1 Northgate
Chichester
West Sussex
PO19 1AT

Risk Management

The Trustees, together with the Senior Leadership Team, regularly review and monitor risks the Charity is exposed to and ensure that appropriate controls are put in place to mitigate risks.

Risks are monitored in three key areas linked to our committee structure:

Quality & Safety

The principal risks in this area are that in the event of a fire, our building may not adequately prevent spread, and the potential failure to meet standards of safety in medicines management.

A programme of fire safety works has taken 2 years to complete. This has included minor fire stopping works, replacement of fire doors, major fire stoppage works, sealing risers between floors including the removal of asbestos, and significant work to partition the roof void throughout the whole building including additional smoke detectors. The works have now been completed and following the re-issue of the Fire Safety Policy and testing through mock evacuations we are expecting to reduce the risk score in this area significantly.

We have strengthened our approach to medicines management with the addition of clinical pharmacist input from our pharmacy provider; we have audited our practice and all nursing staff have received mandatory training in medicines management. A mock CQC inspection carried out in March 2019 highlighted a small number of further mitigating actions that have since been implemented

Financial

The principal risk is the potential for a reduction or insufficient growth in our voluntary income.

Whilst our legacy income has been performing well in the last two years, it is a potentially volatile income stream. We are aware that there are limiting factors on our ability to increase our income year on year – population in our geographical area being a particular issue. To manage this risk we have launched a legacy campaign to remind people of the positive difference leaving a legacy can make with the aim of reducing the peaks and troughs in legacy income over time. In addition, we have reviewed options for increasing our income with a group of local business people and entrepreneurs with a view to diversifying our income streams over time. New activities and programmes of work will be considered by the Trustees in the coming year.

Operations and Governance

The principal risk in this area relates to organisational capacity and structure as we seek to grow our services and reach more people.

To manage this risk we will restructure our senior team in 2019-20, creating Director roles that have oversight of key areas of activity. From 1st April 2019 we will bring our retail and fundraising activities together under a Director of Income Generation and strengthen roles in nursing and clinical care under the Director of Care, including the appointment of an IPU Nurse Manager.

Financial Review

The total income of the Group in 2018/19 increased by 18% to £5.2m compared to £4.4m in 2017/18, with expenditure increasing by 9% to £4.6m (2017/18: £4.2m).

Income from legacies, donations and our charity shops contributed 78% of our income during the year (2017/18: 74%), and increased by 24.7% to £4.09m (2017/18: £3.28m). This is thanks to the generosity of supporters and the efforts of our committed fundraising and retail staff and volunteers.

Several large legacies were received during 2018-19, which led to a 78% increase in legacy income to £1.6m (2017/18: £0.9m).

Income from Donations and Fundraising increased by just over 3% to £1,316,960 (2017/18: £1,274,151).

Shop and Trading income increased by £61,569 to £1,168,825 (2017/18: £1,107,256), and costs increased by £61,946 to £963,030 (17/18: £901,084), leading to a similar net contribution of £205,795 (2017/18: £206,172) to the Charity.

Income from Grants decreased by 3% to £750,115 (2017/18: £773,767), and Income from Charitable Activities saw a slight increase of 0.9% to £367,122 (2017/18: £363,912).

Due to the growth in service delivery, Charitable Expenditure (excluding fundraising costs) increased by over 10% to £3,138,175 (2017/18: £2,838,221), and again comprised 68% of total expenditure (2017/18: 68%).

Fundraising Costs increased by 17.0% to £498,918 (2017/18: £426,538) due to investment in the fundraising team for future income generation.

Although investment income fell slightly to £18,267 (2017/18: £20,334), gains on investments during the year were £16,905 (2017/18: £4,616 loss).

The Group could therefore report a total surplus in 2018/19 of £637,625 (2017/18 £265,922), which is largely due to the significant increase in legacy income, and as such total funds increased to £4,401,495 (2017/18: £3,763,870).

Investment Performance

The St Peter & St James Charitable Trust portfolio outperformed the FTSE index as a whole and rose by 4.6% in capital terms. The period from 1st April 2018 to 31st March 2019, saw a rise in the capital value of the FTSE 100 of 3.15%. The portfolio is managed in line with the Trustees' conservative approach to risk (2 on a scale of 1 to 6).

Investment Policy

The Charity's key objective in relation to its investment portfolio is the protection of its investments in real terms. The Charity has a full discretionary management agreement with investment advisers Rathbones, based on achieving a balance of capital growth and income within a low risk environment.

Given the nature of the service provided by the Charity and the evidence-based links between a number of serious health conditions and tobacco, no direct investment is made in any company that produces tobacco products.

Cash Deposit Policy

Other funds are held in short-term, interest-bearing cash accounts with major UK banks. Deposits in any one banking group are subject to a maximum of £450,000 and are placed for no longer than twelve months. Term deposits are placed if cash flow projections show that the funds are temporarily surplus to operational requirements.

Reserves

The Group's free reserves increased to £1,445,811 (equivalent to 3.5 months' running costs) as at 31 March 2019 after designating a Capital Replacement Fund of £310,000 (2017/18 £207,000), and a Legacy Accrual Fund of £390,000 (2017/18 £nil). Estimates of running costs are based on the operating budget for the following year.

The Trustees' policy in respect of free reserves ('General Funds') is that, in view of the ongoing increase in the scale of the Charity's activities and cost base, the minimum level of free reserves should be £1m with the objective to increase the minimum free reserves level to represent six months' full running costs. In addition, in recognition of the ongoing need for capital investment to replace and, where appropriate, enhance the Charity's assets, Trustees have created a Capital Replacement Fund for this purpose, which is not part of free reserves.

The Trustees' objectives are:

- ❖ that free reserves should be held at a sum sufficient to avoid an unacceptable level of disruption to services in the event of an unexpected downturn in income; and
- ❖ to recognise the need for continuing investment to maintain the quality of the Charity's assets to an adequate standard

The Reserves position is monitored by the Finance Committee, which reports to the Board.

Total Funds

The total funds held at the end of the reporting period (31 March 2019) were £4,401,495 for the Group and £4,384,473 for the Charity. It should be noted that, of these funds, £2,229,643 represents the value of land and buildings used for the provision of the Charity's hospice services and is therefore not available to spend for operational purposes. The split between general, restricted and designated funds held by the Group at the end of the reporting period is below:

Total Funds of the Group at 31st March 2019:

Other Designated Funds	£ 315,449
Tangible Fixed Assets	£ 2,229,643
Legacy Accrual Fund	£ 390,000
Group General Funds	£ 1,445,811
Restricted Funds	£ 20,592
Total Funds	£ 4,401,495

Tangible Fixed Assets are Designated Funds that can only be realised through disposal of those assets.

Trustees' Responsibilities in Relation to the Financial Statements

The Trustees (who are also the directors of St Peter and St James Charitable Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- ❖ select suitable accounting policies and apply them consistently
- ❖ observe the methods and principles in the Charities SORP 2015 (FRS 102)
- ❖ 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 charity will continue in operation

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Group 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, hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Statement as to Disclosure to Auditors

In so far as the Trustees are aware at the time of approving the Trustees' annual report:

- there is no relevant information, being information needed by the auditors in connection with preparing their report, of which the Group's auditors are unaware, and,
- the Trustees, having made enquiries of fellow Directors and the Group's auditors that they ought to have individually taken, have each taken all steps that he/she is obliged to take as Director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

A resolution re-appointing Knill James as auditors will be proposed at the 2019 Annual General Meeting.

Acknowledgements

The Trustees extend their thanks to:-

- ❖ All members of staff and volunteers for their hard work and dedication to the Charity
- ❖ All Support Groups and the Friends of St Peter & St James who raised funds for the Charity during the year
- ❖ All the individuals, corporate bodies, Trusts, and media organisations too numerous to mention who have so generously helped and supported the Charity during the year

This report was approved by the Board on 4 September 2019.

A handwritten signature in black ink, appearing to read 'K Banbury', with a large, stylized flourish underneath.

K Banbury OBE
Chairman

Independent Auditor's Report to the Members and Trustees of The St Peter and St James Charitable Trust

Opinion

We have audited the financial statements of The St Peter and St James Charitable Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, consolidated balance sheets, 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 parent charitable company's affairs as at 31 March 2019, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Independent Auditor's Report to the Members and Trustees of The St Peter and St James Charitable Trust (continued)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient 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's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the Members and Trustees of The St Peter and St James Charitable Trust (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, 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 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 group's and 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.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company'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 charitable company's members and its 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 charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Susan Foster FCA (Senior Statutory Auditor)
For and on behalf of Knill James, Statutory Auditor

4th September 2019

Knill James is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Consolidated statement of financial activities (incorporating a consolidated income and expenditure account) for the year ended 31st March 2019

		2019	2019	2019	2019	2018
		Unrestricted	Designated	Restricted	Total Funds	Total Funds
	Note	£	£	£	£	£
Income:						
<i>Donations and legacies:</i>						
Donations	2	1,244,135	-	72,825	1,316,960	1,274,151
Legacies	3	1,602,418	-	-	1,602,418	900,019
Grants	4	597,988	-	152,127	750,115	773,767
<i>Total donations and legacies</i>		3,444,541	-	224,952	3,669,493	2,947,937
<i>Trading activities</i>	5	1,168,825	-	-	1,168,825	1,107,256
<i>Income from charitable activities</i>	6	316,214	-	50,908	367,122	363,912
<i>Investment income</i>	7	18,267	-	-	18,267	20,334
<i>Other income</i>	8	175	-	-	175	-
Total income		4,948,022	-	275,860	5,223,882	4,439,439
Expenditure:						
Shop costs	9	963,030	-	-	963,030	901,084
Fundraising Costs	9	498,918	-	-	498,918	426,538
Investment management costs	9	3,039	-	-	3,039	3,058
<i>Costs of raising funds</i>		1,464,987	-	-	1,464,987	1,330,680
<i>Expenditure on charitable activities</i>	9	2,857,342		280,833	3,138,175	2,838,221
Total expenditure	9	4,322,329	-	280,833	4,603,162	4,168,901
Net income for the year before gains and losses on investments		625,693	-	(4,973)	620,720	270,538
Net gains/(losses) on investments		16,905	-	-	16,905	(4,616)
Net income/(expenditure) for the year		642,598	-	(4,973)	637,625	265,922
Transfers between funds		15,614		(15,614)	-	-
Net movement in funds		658,212	-	(20,587)	637,625	265,922
<i>Reconciliation of funds:</i>						
Total funds brought forward		3,722,691		41,179	3,763,870	3,497,948
Total funds carried forward		4,380,903	-	20,592	4,401,495	3,763,870

All amounts relate to continuing activities of the group.

The Statement of Financial Activities includes all gains and losses recognised in the year.

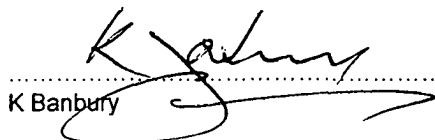
The notes to the accounts are shown on pages 24 to 40.

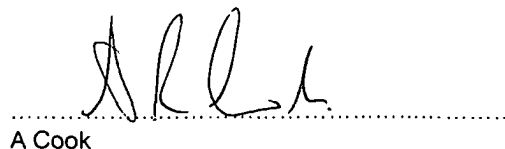
THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Consolidated balance sheets as at 31 March 2019

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Fixed assets					
Tangible assets	15	2,229,643	2,278,173	2,229,643	2,278,173
Investments	16	448,246	428,584	538,246	518,584
		<u>2,677,889</u>	<u>2,706,757</u>	<u>2,767,889</u>	<u>2,796,757</u>
Current assets					
Debtors	17	564,971	211,210	568,325	202,520
Current asset investments		976,870	586,519	976,870	586,519
Cash at bank and in hand		333,149	422,873	257,273	379,843
		<u>1,874,990</u>	<u>1,220,602</u>	<u>1,802,468</u>	<u>1,168,882</u>
Liabilities					
<i>Creditors: amounts falling due within one year</i>	18	(151,384)	(163,489)	(185,884)	(218,788)
Net current assets		<u>1,723,606</u>	<u>1,057,113</u>	<u>1,616,584</u>	<u>950,094</u>
Total assets less current liabilities		<u>4,401,495</u>	<u>3,763,870</u>	<u>4,384,473</u>	<u>3,746,851</u>
Total net assets		<u>4,401,495</u>	<u>3,763,870</u>	<u>4,384,473</u>	<u>3,746,851</u>
<i>The funds of the charity:</i>					
Restricted income funds	20	20,592	41,179	20,592	41,179
Unrestricted funds					
Designated funds	21	2,935,092	2,643,144	3,023,452	2,731,504
General funds	21	1,445,811	1,079,547	1,340,429	974,168
Total unrestricted		<u>4,380,903</u>	<u>3,722,691</u>	<u>4,363,881</u>	<u>3,705,672</u>
Total funds	22	<u>4,401,495</u>	<u>3,763,870</u>	<u>4,384,473</u>	<u>3,746,851</u>

Approved by the trustees on 4 September 2019 and signed and authorised for issue on their behalf by:


 K Banbury


 A Cook

The notes to the accounts are shown on pages 24 to 40.

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Statement of cash flows & consolidated statement of cash flows for the year ended 31 March 2019

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Cash flows from operating activities:					
Net cash provided by/(used in) operating activities	27	386,369	396,732	353,523	417,850
Cash flows from investing activities:					
Dividends, interest and rents from investments		18,267	20,334	18,267	20,334
Proceeds from the sale of property and equipment		175	-	175	-
Purchase of property, plant and equipment		(101,426)	(68,998)	(101,426)	(68,998)
Proceeds from sale of investments		1,359	43,186	1,359	43,186
Purchase of investments		(4,117)	(39,577)	(4,117)	(39,577)
Net cash provided by/(used in) investing activities		(85,742)	(45,055)	(85,742)	(45,055)
Change in cash and cash equivalents in the reporting period		300,627	351,677	267,781	372,795
Cash and cash equivalents at the beginning of the reporting period		1,009,392	657,715	966,362	593,567
Cash and cash equivalents at the end of the reporting period	28	1,310,019	1,009,392	1,234,143	966,362

The notes to the accounts are shown on pages 24 to 40.

**THE ST PETER AND ST JAMES CHARITABLE TRUST
FOR THE YEAR ENDED 31 MARCH 2019**

Notes to the accounts

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The Trust meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Charities Act 2011, the Companies Act 2006, and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the Charity.

b) Going concern

The financial statements are prepared on a going concern basis. The Trustees believe that there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

c) Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

d) Group financial statements

The financial statements consolidate the results of the Charity, its wholly owned subsidiary, St Peter and St James Hospice Shops Ltd and the Friends of St Peter and St James on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

e) Fund accounting

Unrestricted funds

Unrestricted funds, which have not been designated for other purposes, are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

**THE ST PETER AND ST JAMES CHARITABLE TRUST
FOR THE YEAR ENDED 31 MARCH 2019**

Notes to the accounts

Designated funds

Designated funds are unrestricted funds of the Charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. The aim and purpose of each designated fund is set out in the notes to the financial statements.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restriction imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements. Where possible, the cost of administering such funds is charged against the specific fund.

Fixed Assets

Fixed assets purchased without further restrictions are transferred to unrestricted funds in the year of purchase.

f) Income recognition

All incoming resources are included in the SOFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Legacies receivable are included in the accounts when they satisfy the following three criteria:

Entitlement - control over the rights or other access to the economic benefit has passed to the Charity

Probable - it is more likely than not that the economic benefits associated with the transaction or gift will flow to the Charity

Measurement - the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can also be measured reliably.

When donors impose conditions, which require a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Residuary legacies

In relation to residuary gifts, as at the year end, the income recognition criteria above will be treated as satisfied if:

1. Notification or copy of the Will received;
2. Confirmation of the Grant of Probate;
3. Accounts received showing sufficient funds in the estate (either schedule of assets & liabilities or preferably estate accounts); and
4. Value of final gift confirmed.

Pecuniary legacies

The criteria for pecuniary legacies over £5,000 are the same as gifts of the same or greater value. Gifts below this level will be recorded by date of receipt.

**THE ST PETER AND ST JAMES CHARITABLE TRUST
FOR THE YEAR ENDED 31 MARCH 2019**

Notes to the accounts

Gifts in Kind

Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services and facilities

Material donated professional services and donated facilities are recognised as income when the three criteria of Entitlement, Probability and Measurement above have been met. In accordance with the Charities SORP (FRS 102), non-professional volunteer time is not recognised in the accounts.

g) Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of Raising Funds

Costs of raising funds comprises **fundraising costs** incurred in seeking donations, grants and legacies, and costs of fundraising activities; **shop costs** comprise costs of goods sold, commercial trading costs, and their associated support costs; and **investment management fees**. Fundraising costs do not include the costs of generating and reporting management information in respect of the charitable activities.

Expenditure on charitable activities

Expenditure on charitable activities includes the costs of providing specialist palliative care and support, community services, research and other educational activities undertaken to further the purposes of the Charity and their associated support costs.

Support Costs

Support costs are those that assist the work of the Charity but do not directly represent charitable activities - i.e. incurred directly in support of expenditure on the objects of the Charity. They include:

Administration costs - Includes the clinical database, clinical administration, general administration, IT, information governance, management and HR (includes employee and volunteer support and administration, staff and volunteer mandatory training costs plus clinical staff CPD).

Finance costs - Includes payroll and accounts

Governance costs - Those costs incurred in connection with compliance with constitutional and statutory requirements and strategic planning of the Charity.

Allocation

Support costs are allocated to each of the activities on one of the following bases: HR and volunteers' costs based on headcount and all other costs based on estimate of resource used.

Irrecoverable VAT

Irrecoverable VAT is not charged as a cost against the activity for which the expenditure was incurred, but is charged as a separate overhead.

**THE ST PETER AND ST JAMES CHARITABLE TRUST
FOR THE YEAR ENDED 31 MARCH 2019**

Notes to the accounts

h) Volunteers

In accordance with FRS 102 and the Charities SORP (FRS), the economic contribution of non-professional volunteers is not recognised in the accounts. Further detail of their contribution is provided in the notes to these financial statements and in the Strategic Report.

i) Fixed assets

Assets costing more than £1,000 are capitalised at their historical cost when purchased. Costs include expenditure directly attributable to making the asset capable of operating as intended.

Depreciation is provided to write off the cost or revalued amount of all fixed assets on a reducing balance basis over their expected economic useful lives as follows:

Freehold land	Nil
Freehold property	5%
Fixtures, fittings and equipment	15% or 20%
Computer equipment	33 %
Motor vehicles	25%
Equipment (Shops)	25%

j) Investments

Fixed Asset Investments

Fixed Asset Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price, except for the shares in the trading subsidiary which are carried at cost. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Current Asset Investments

Current asset investments are short term liquid investments, which are not required to cover day to day running costs. These comprise cash on deposit and cash equivalents held with other organisations other than our current bankers.

The Charity does not acquire derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity in relation to investments is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

**THE ST PETER AND ST JAMES CHARITABLE TRUST
FOR THE YEAR ENDED 31 MARCH 2019**

Notes to the accounts

k) Stock

Stock of retail purchased goods is included at the lower of cost or net realisable value. Donated items of stock for resale are not included in the financial statements until they are sold because the Trustees consider it impractical. Stock is donated through a range of different outlets. To assess the amount of donated stock and undertake a coordinated stock take would incur undue cost for the Charity which would far outweigh the benefit.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

m) Cash at bank and in hand

Cash at bank and cash in hand comprises cash required for the daily running costs of the Charity. The majority of these funds are held with our current bankers and are available for immediate access.

n) Creditors

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

o) Financial instruments

The Charity 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 which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

The Charity contributes to the defined benefit scheme (NHS Superannuation) for eligible staff and operates a defined contribution scheme for other staff. The contributions to the schemes are recognised as an expense in the SOFA as they become payable.

The NHS scheme may be defined as a defined benefit multi-employer plan, however, the Charity does not have any share of the underlying assets or liabilities. The contributions are determined by the Government actuary, and there is no further obligation from the Charity other than the initial contributions due.

q) Operating leases

Operating leases are recognised over the period in which the cost is incurred.

r) Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Notes to the accounts

2 Donations	2019	2018
	£	£
General Donations and Fundraising Events	1,182,008	1,136,555
Gift Aid	105,994	93,273
Other	28,958	44,323
	<u>1,316,960</u>	<u>1,274,151</u>

The income from donations was £1,316,960 (2018: £1,274,151) of which £1,244,135 was unrestricted (2018: £1,274,151) and £72,825 restricted (2018: £nil).

3 Legacies

The income from legacies was £1,602,418 (2018: £900,019) of which £1,602,418 was unrestricted (2018: £900,019) and £nil restricted (2018: £nil).

4 Grants received	2019	2018
	£	£
NHS Clinical Commissioning Group Grants	600,941	594,403
Big Lottery Fund	-	-
Trust and Other Fundraising Grants	149,174	179,364
	<u>750,115</u>	<u>773,767</u>

Government Grants

The 2018 NHS CCG Grants figure includes £54,198 funding from NHS Horsham & Mid-Sussex CCG restricted for the provision of palliative care consultant sessions at Princess Royal Hospital, Haywards Heath (2018: £53,608). In 2017-18 this was included in Note 6: Income from Charitable Activities), and as such the 2018 figure for Note 4 has been restated from £540,795 to £594,403.

Government grants received from NHS Clinical Commissioning Groups ("CCGs") were £600,941 (2018 restated : £594,403), of which £505,057 was unrestricted (2018: £499,563) and £95,884 restricted (2018: £41,232). Restricted grants were for Specialist Palliative Care cover for weekends and Bank Holidays and for the provision of palliative care consultant sessions at Princess Royal Hospital, Haywards Heath.

Total income from grants received was £750,115 (restated 2018: £773,767) of which £606,015 was unrestricted (restated 2018: £570,283) and £152,127 restricted (restated 2018: £203,484).

Included in Trust and Other Fundraising Grants were government grants from County Councils of £4,000 (2018: £17,076), and £25,000 from the Garfield Weston Foundation (2018: £20,000).

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Notes to the accounts

5 Trading Activities	2019	2018
	£	£
Shop income from sale of donated goods and new goods	923,643	894,543
Income from Shops donated Goods Gift Aid Scheme:		
- Sale of goods from Shops Donated Gift Aid Scheme	196,981	170,166
- Gift aid income from sale of goods on an agency basis	48,201	42,547
Total income from Trading Activities: Shops	<u>1,168,825</u>	<u>1,107,256</u>
Shops and trading activity costs net of Charity administration fee	920,357	865,668
Trust support costs allocated to Shops	42,673	35,413
Total expenditure from shops	<u>963,030</u>	<u>901,081</u>
Net Profit arising from shops	<u>205,795</u>	<u>206,175</u>

All shop income in both the current and previous year relate to unrestricted funds.

6 Income from charitable activities	Government Funding	Other funding	2019	2018
	£	£	£	£
Funded Beds	244,446	59,279	303,725	307,339
Befriender Service	33,908	-	33,908	33,691
Education and Training	17,000	12,489	29,489	22,882
Total	<u>295,354</u>	<u>71,768</u>	<u>367,122</u>	<u>363,912</u>

External Clinical Grants (previously included in Note 6) is now included in Note 4 following an internal re-classification. It is recognised by the Hospice that these are NHS CCG Grants and are therefore now included in Note 4

The income from charitable activities was £367,122 (restated 2018: £363,912) of which £316,914 was unrestricted (2018: £313,221) and £50,908 restricted (restated 2018: £50,691).

Government funding

Funded Beds includes government funding from CCGs of £244,446 (2018: £236,370) to cover residential inpatient care for patients, with individual funding agreed for each patient.

The Befriender Service is restricted funding provided by West Sussex County Council ("WSCC") and East Sussex County Council ("ESCC") and the aim of the service is to support carers of patients of the Charity and improve their wellbeing. The WSCC contract began on 1 April 2014 for a period of three years and has been renewed for another three years. The ESCC contract commenced on 1 Oct 2013 for a period of 3 years and has been renewed for another three and a half years.

Education and Training includes a government grant from Health Education England Kent Surrey Sussex ("HEEKSS") of £17,000 (2018: £17,000) for development of a needs assessment and staff end of life communication training.

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Notes to the accounts

7 Investment income

	2019	2018
	£	£
Rental Income	1,375	1,270
Dividends - equities	11,193	12,703
Bank Interest	5,699	6,361
	<u>18,267</u>	<u>20,334</u>

Investment income received was £18,267 (2018: £20,334) of which £18,267 was unrestricted (2018: £20,334) and £nil restricted (2018: nil)

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Notes to the accounts

8 Other Income

	2019	2018
	£	£
Profit on sale of tangible fixed assets	175	-
	<u>175</u>	<u>-</u>

Other income in both the current and previous year relates to unrestricted funds.

9 Analysis of Expenditure

	Direct Costs	Support costs (note 10)	2019	2018
	£	£	£	£
Costs of Raising Funds				
Trading Costs	920,357	42,673	963,030	901,084
Fundraising Costs	466,149	32,769	498,918	426,538
Investment Management Costs	3,039	-	3,039	3,058
Total Cost of Raising funds	<u>1,389,545</u>	<u>75,442</u>	<u>1,464,987</u>	<u>1,330,680</u>
Charitable Activities				
Hospice	1,106,249	180,682	1,286,931	1,147,085
Community Care	458,877	50,173	509,050	457,083
Wellbeing	230,422	68,329	298,751	263,101
Funded Beds	872,500	141,454	1,013,954	900,342
External Clinical Services & Training	19,817	9,672	29,489	70,610
Total Charitable Activities	<u>2,687,865</u>	<u>450,310</u>	<u>3,138,175</u>	<u>2,838,221</u>
Total	<u><u>4,077,410</u></u>	<u><u>525,752</u></u>	<u><u>4,603,162</u></u>	<u><u>4,168,901</u></u>

Of the total expenditure of £4,603,162 (2018: 4,168,901), all expenditure for raising funds of £1,464,987 (2018: £1,330,680) was unrestricted. Of charitable activities expenditure of £3,138,175 (2017: £2,838,221); £280,833 (2018: £190,422) was restricted and £2,857,342 (2018: £2,647,799) was unrestricted.

	Administration	Finance	Governance costs	2019	2018
	£	£	£	£	£
Shop costs	25,973	7,274	9,426	42,673	37,163
Fundraising Costs	15,531	5,455	11,783	32,769	29,453
Cost of generating funds	<u>41,504</u>	<u>12,729</u>	<u>21,209</u>	<u>75,442</u>	<u>66,616</u>
Hospice	111,158	31,822	37,702	180,682	144,403
Community Care	27,045	5,455	17,673	50,173	44,589
Wellbeing	38,136	12,520	17,673	68,329	58,130
Continuing Care	88,796	29,094	23,564	141,454	105,381
External Clinical Services & Training	9,672	0	0	9,672	11,030
Charitable services	<u>274,807</u>	<u>78,891</u>	<u>96,612</u>	<u>450,310</u>	<u>363,533</u>
Total	<u><u>316,311</u></u>	<u><u>91,620</u></u>	<u><u>117,821</u></u>	<u><u>525,752</u></u>	<u><u>430,149</u></u>
Prior year totals	<u>227,411</u>	<u>83,462</u>	<u>119,276</u>		<u>430,149</u>

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Notes to the accounts

11 Governance costs	2019	2018
	£	£
Management	104,095	111,225
Audit and Accountancy Fees	6,000	4,750
Other Professional Fees	7,226	2,800
Other	500	500
	117,821	119,275

12 Analysis of staff costs and key management personnel	2019	2018
	£	£
Wages and salaries	2,945,006	2,652,640
Social security costs	232,654	225,846
Pension costs	158,974	188,432
	3,336,634	3,066,918

The Trustees were not paid and did not receive any other benefits from employment with the Hospice or its subsidiary in the year (2018: £nil). No trustees were reimbursed expenses for travel and training during the year (2018: £294). No Trustee received payment for professional or other services supplied to the Charity (2018: £nil).

The average monthly head count was 138 (2018: 134) and analysis of the staff employees in the year were:

	2019		2018	
	<i>Actual Number</i>	<i>Full time equivalent</i>	<i>Actual Number</i>	<i>Full time equivalent</i>
Direct charitable services	85	57	83	54
Fundraising & Trading	42	36	40	34
Support services	11	8	11	9
Total	138	101	134	97

Throughout the year we also had 26 (compared to 30 in 2018) bank staff available to provide support in the event of short notice absences.

The number of employees whose total employee benefits, excluding pension contributions were over £60,000, (classified within bands of £10,000) are as follows:

	2019	2018
£60,000-£69,999	1	1
£70,000-£79,999	0	0
£80,000-£89,999	1	1
£90,000-£99,999	1	1

Pension contributions relating to those staff earning over £60,000 totalled £27,052 in the current year (2018: £26,713).

Pension Contributions

The Charity contributes to the NHS Superannuation scheme for eligible staff and operates a defined contribution scheme for other staff. The pension charge for the year represents contributions payable by the Charity to the schemes and amounted to £158,974 (2018: £188,432). At 31 March 2019 £29,006 was outstanding in respect of pension contributions (2018: £24,107).

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Notes to the accounts

12 Analysis of staff costs and key management personnel - continued

Key Management Personnel

FRS 102 defines 'key management personnel as those persons having authority and responsibility for **planning, directing and controlling** the activities of the Charity, directly or indirectly, including those members of staff who are the senior management personnel to whom the Trustees have delegated significant authority or responsibility in the day-to-day running of the charity'. We have interpreted this to be the Trustees and the Chief Executive whose employee benefits for both the Charity and the Group were £86,243 in total (Prior year: £76,128).

In 2017-18 the benefits were significantly lower due to the CEO position being vacant for April and May 2017 (and covered on an interim basis by the Deputy Chief Executive).

Volunteers

The Group had 425 volunteers during the year (Prior year: 400), of which 177 (Prior year: 159) worked in our retail operations and 248 (Prior year: 241) supported the charitable and administrative work of the Charity. We are extremely grateful for all their time and effort.

13 Net incoming resources	2019	2018
Net incoming resources is stated after charging:	£	£
Depreciation	149,956	157,377
Auditors remuneration:		
- for audit services	6,000	4,750
- for accountancy services	-	-
Profit / (loss) on sale of fixed assets	175	11,088
Operating lease rentals	162,073	155,238

14 Taxation

The company is a registered charity and as such is exempt from taxation on its income and gains falling with section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied for charitable purposes.

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Notes to the accounts

15 Tangible fixed assets

<u>Group and Charity</u>	Freehold property £	Fixtures and fittings £	IT Equipment £	Motor Vehicles £	Total £
Cost					
At start of year	3,291,901	838,476	130,245	74,683	4,335,305
Additions	46,567	10,950	-	43,909	101,426
Disposals	-	-	-	-	-
At end of year	3,338,468	849,426	130,245	118,592	4,436,731
Depreciation					
At start of year	1,228,763	651,314	119,581	57,474	2,057,132
Charge for the year	96,485	34,673	3,519	15,279	149,956
Disposals	-	-	-	-	-
At end of year	1,325,248	685,987	123,100	72,753	2,207,088
Net book value at the end of the year	2,013,220	163,439	7,145	45,839	2,229,643
Net book value at the start of the year	2,063,138	187,162	10,664	17,209	2,278,173

Freehold land and buildings includes freehold land of £180,000 that is not depreciated. The market value of the land has been valued by the directors at £345,000.

16	2019	2018
a) Investments - Group and Charity	£	£
At start of the year	428,584	436,807
Additions	0	29,678
Disposals	(1,359)	(43,186)
Movement in cash	4,117	9,899
Unrealised Gains/(loss) on Revaluation	16,904	(4,614)
At end of the year	448,246	428,584
b) Analysis of investments		
Listed investments	429,247	413,702
Other investments	300	300
Cash held as part of the investment portfolio	18,699	14,582
Total group	448,246	428,584
Equity investment in subsidiary	90,000	90,000
Total charity	538,246	518,584
All investments are held in the UK		
The historical cost of the listed and other investments is £355,7214 (prior year: £371,785)		

c) Trading subsidiary

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Notes to the accounts

The Charity owns a subsidiary, St Peter and St James Hospice Shops Limited (company number 3146736), whose main purpose is to sell goods to raise funds for the Charity and which pays all of its profits to the Charity under the gift aid scheme. The Charity holds 90,000 ordinary shares of £1 each in its wholly owned trading subsidiary company, St Peter and St James Hospice Shops Limited, which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The activities and results of this company are summarised as follows:

<u>Income statement</u>	2019	2018
	£	£
Turnover	61,998	931,274
Cost of sales	(25,839)	(26,809)
Gross profit	36,159	904,465
Operating expenses	(32,000)	(857,414)
Profit on ordinary activities	4,159	47,051
Donation to hospice	(4,159)	(41,576)
Increase/(decrease) in the Retained profit for the year	0	5,475
 Balance sheet		
Fixed Assets		
Current Assets	107,353	116,870
Liabilities	(1,974)	(11,491)
Net assets	105,379	105,379
 Represented by:		
Capital	90,000	90,000
Reserves	15,379	15,379
	105,379	105,379

An administration charge of £32,000 by the Charity has been removed from expenses in the consolidated accounts (2018: £18,552)

17 Debtors	Group 2019	Group 2018	Charity 2019	Charity 2018
	£	£	£	£
Trade debtors	28,442	34,480	28,442	34,480
VAT recoverable	46,533	20,313	46,533	12,153
Other debtors and prepayments	489,996	156,417	493,350	155,887
	564,971	211,210	568,325	202,520

18 Creditors: amounts falling due within one year

	£	£	£	£
Trade creditors	54,686	42,665	52,713	41,064
Taxation and social security	56,666	53,375	56,666	46,759
Amount due to subsidiary	-	-	36,473	66,790
Other creditors	29,044	41,258	29,044	41,258
Accruals and deferred income	10,988	26,191	10,988	22,917
	151,384	163,489	185,884	218,788

19 Operating Leases

	2019	2018
	£	£
Not later than one year	171,817	163,504

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Later than one and not later than five years	488,560	368,531
later than five years	225,057	26,187
The Trust has total commitments under operating leases as follows:	885,434	558,222

20 Restricted funds

	Balance at 1 April 2018	Income	Expenditure	Transfers	Balance at 31 March 2019
Charity	£	£	£	£	£
Restricted Revenue Fund	27,338	170,367	(178,340)	-	19,365
Community Nursing Fund	0	102,493	(102,493)	-	0
Restricted Capital Fund	13,841	3,000	-	(15,614)	1,227
Total Group Restricted	41,179	275,860	(280,833)	(15,614)	20,592

Restricted Revenue Fund

The Restricted Revenue Fund represents monies given to the Charity for specific purposes for the purchase of small items and revenue expenditure.

The Restricted Revenue Fund includes funds for the Befriender Service, which represents monies received from East Sussex and West Sussex County Councils to support and improve the wellbeing of those caring for someone with a life limiting illness.

The Restricted Revenue Fund also includes funds for External Clinical Services from our contract with NHS Horsham & Mid Sussex CCG to provide palliative care consultant sessions at our local hospital and services to train students in palliative care.

Community Nursing Fund

The Community Nursing Fund represents one off restricted donations and ongoing grants to support our specialist Community Nurse team.

Restricted Capital Fund

The Restricted Capital Fund represents monies given for specific capital appeals.

21 Unrestricted funds

	Balance at 31 March 2018	Income	Expenditure and gains	Transfers	Balance at 31 March 2019
	£	£	£	£	£
Designated funds					
Friends of St Peter and St James	1,640	3,809	-	-	5,449
Tangible Fixed Assets	2,278,173	-	-	(48,530)	2,229,643
Forecast Deficit Provision Fund	156,331	-	-	(156,331)	0
Legacy Accrual Fund	0	-	-	390,000	390,000
Capital Replacement Fund	207,000	-	-	103,000	310,000
Total designated funds	2,643,144	3,809	0	288,139	2,935,092
 General fund Trust	 974,167	 4,882,215	 (4,243,426)	 (272,525)	 1,340,431
General fund Shops	105,380	61,998	(61,998)	0	105,380
Total General Fund	1,079,547	4,944,213	(4,305,424)	(272,525)	1,445,811
 Total Unrestricted funds	 3,722,691	 4,948,022	 (4,305,424)	 15,614	 4,380,903

Designated funds:

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Notes to the accounts

Unrestricted funds in the Friends of St Peter and St James have been set aside as designated funds in the Group accounts to meet the future needs for medical equipment and associated costs of the Charity.

The Tangible Fixed Asset Fund represents the net book value of the tangible fixed assets held by the Charity, which includes any building work-in-progress. Fixed assets are integral to the provision of charitable activities and therefore not readily available to spend (e.g. hospice buildings).

The Legacy Accrual Fund represents legacy income received after the year end that has been accrued into the accounts.

The Trustees established the Capital Replacement Fund in recognition of the ongoing need for capital investment to replace and, where appropriate, enhance the Charity's assets. A Stock Condition Survey was undertaken in 2017 by a third party, and has been reviewed during 2018-19. The fund balance represents the expected capital expenditure required to 31st March 2021.

22 Net assets by funds	General funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Investments	448,246	-	-	448,246
Tangible fixed assets	-	2,229,643	-	2,229,643
Current assets	1,148,949	705,449	20,592	1,874,990
Creditors falling due in less than one year	(151,384)	-	0	(151,384)
	1,445,811	2,935,092	20,592	4,401,495

23 Related party transactions

Donations received from related parties (defined as Trustees and key management personnel) totalled £3,160 (2018: £2,461)

The following transactions took place between the Charity and its wholly owned subsidiary, Shops:

- The transfer under gift aid of the trading profits of the Shops to the Charity of £4,159 (2018: £41,578)
- The transfer of an administration charge from Shops to the Charity of £32,000 (2018: £18,552)

Balances outstanding from the Shops to the Charity as at 31 March 2019 were £nil (2018: £nil)

24 Contingent assets – legacy income

As well as the amount recognised in the financial statements, the Charity was also notified prior to the year-end of legacies currently in administration with an estimated probate value based on information available at the time of £989,700 (2018: £866,000)

25 Financial performance of the Charity

The consolidated statement of financial activities includes the results of the Hospice's wholly owned trading subsidiary St Peter and St James Hospice Shops Limited and the Friends of St Peter and St James. The summary performance of the Charity alone is as follows:

	2019	2018
	£	£
Income	5,198,041	3,570,510
Total expenditure	4,560,419	3,307,836
Net surplus /(deficit)	637,622	262,674
Total funds brought forward	3,746,851	3,484,177
Total funds carried forward	4,384,473	3,746,851

THE ST PETER AND ST JAMES CHARITABLE TRUST
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Represented by:

Restricted funds	20,592	41,179
Unrestricted funds	4,363,881	3,705,672
	<u>4,384,473</u>	<u>3,746,851</u>

26 Finance performance of the Friends of St Peter and St James

The Friends of St Peter and St James is a registered charity, number 288522, whose objects are to relieve the patients of the Hospice who are sick, convalescent, disabled, handicapped or infirm and generally to support the charitable work of the Hospice to whom the Friends of St Peter and St James are ultimately responsible. A summary of the financial activities of the Friends of St Peter and St James is given below and these have been consolidated into the group accounts.

	Unrestricted	Restricted	2019	2018
	£	£	£	£
Income				
Donations and subscriptions	3,353	-	3,353	4,243
Gift Aid	455	-	455	531
Investment income	1	-	1	0
Total income	<u>3,809</u>	<u>-</u>	<u>3,809</u>	<u>4,774</u>
Resources expended - charitable activities	<u>0</u>	<u>-</u>	<u>0</u>	<u>7,000</u>
Net movement in funds	3,809	-	3,809	(2,226)
Funds brought forward	1,640	-	1,640	3,866
Funds carried forward	<u>5,449</u>	<u>-</u>	<u>5,449</u>	<u>1,640</u>
Current Assets				
Debtors	0	-	0	530
Cash at bank	4,994	-	4,994	1,110
Total net assets	<u>4,994</u>	<u>-</u>	<u>4,994</u>	<u>1,640</u>
Funds of the Charity				
Unrestricted Funds	4,994	-	4,994	1,640
Restricted Funds	-	-	0	0
Total Funds	<u>4,994</u>	<u>-</u>	<u>4,994</u>	<u>1,640</u>

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27 Reconciliation of net income/(expenditure) to net cash flow from operating activities	Group	Group	Charity	Charity
	2019	2018	2019	2018
	£	£	£	£
Net income/(expenditure) for the reporting period	637,625	265,922	637,622	262,674
<i>Adjustments for:</i>				
Depreciation charges	149,956	157,377	149,956	147,457
(Increase)/decrease in stocks	0	8,285	0	0
(Increase)/decrease in debtors	(353,761)	(45,386)	(365,805)	(24,298)
Increase/(decrease) in creditors	(12,105)	(25,476)	(32,904)	47,737
Loss/(profit) on the sale of fixed assets	(175)	51,730	(175)	0
(Gains)/losses on investments	(16,904)	4,614	(16,904)	4,614
Dividends, interest and rents from investments	(18,267)	(20,334)	(18,267)	(20,334)
Net cash provided by/(used in) operating activities	386,369	396,732	353,523	417,850
28 Analysis of cash and cash equivalents	Group	Group	Charity	Charity
	2019	2018	2019	2019
	£	£	£	£
Cash at bank and in hand	333,149	422,873	257,273	379,843
Short term deposits	976,870	586,519	976,870	586,519
Total cash and cash equivalents	1,310,019	1,009,392	1,234,143	966,362