

# Annual Accounts

S.S. John & Elizabeth Charity

For the year ended 31 December 2020

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S.S. John & Elizabeth Charity. Annual Report For the year ended 31 December 2020

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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 4,000 terminally ill patients and their families every year at no cost to the patients, who can be treated in a 17 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 over 164 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 four 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, Caroline Fox, appointed by the Board of the Charity's Corporate Trustee. The Chief Executive is supported in her 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 2020

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 2020. 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  
2<sup>nd</sup> Floor 6 Sutton Plaza, Sutton Court Road,  
Sutton, Surrey, SM1 4FS

### Bankers

Barclays Bank plc  
1 Churchill Place  
London  
E14 5HP

### Solicitors

BDB Pitmans LLP  
One Bartholomew Close  
London  
EC1A 7BL

DAC Beachcroft  
25 Walbrook London  
EC4N 8AF  
Blake Morgan LLP  
6 New Street Square  
London  
EC4A 3DJ

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

### 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

### Vice-Chairman

Mr Charles Fitzherbert (retired 9 November 2020)  
Professor Margaret Johnson (appointed 9 November 2020)

### 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**

Sir Mark Allen CMG (Chairman)  
Mr Charles Fitzherbert (Vice-Chairman until 9 November 2020)  
Professor Margaret Johnson (appointed Vice-Chairman 9 November 2020)  
Ms Alda Andreotti  
Mr Francis Fitzherbert-Brockholes  
Mr Simon Lawless  
Mr Robert Marston (resigned October 2020)  
Professor HH William Morris  
Mr Norbert Reis  
Mr Richard Ritchie  
Mr Julian Schild  
Bishop John Francis Sherrington

**Chief Officers**

Mrs Caroline Fox (Chief Executive)  
Mr Andrew Gallini (Chief Nursing Officer)  
Mr Andrew Holmes (Chief Financial Officer)

**Sub-Committees of the Board**

Church Committee:  
Mr Richard Ritchie  
Mr Charles Finch \*  
Sister Kathleen  
Father Hugh MacKenzie\*  
Sister Kathleen Mary\*  
Mrs Priscilla Sharp\*  
Mike Staunton

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

Finance and Audit Committee:  
Mr Norbert Reis  
Ms Alda Andreotti  
Mr Charles Fitzherbert (until 9 November 2020)  
Mr Simon Lawless  
Mr Julian Schild

Remuneration Committee:  
Ms Alda Andreotti (Chairwoman)  
Mr Charles Fitzherbert (until 9 November 2020)  
Mr Simon Lawless  
Mr Richard Ritchie

Medical Advisory Committee:  
Dr Stuart Webb (Chairman)  
Mr James Youngman (Deputy Chairman)  
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 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 2020 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 Charity's fundraising department aims to raise awareness in the local community, especially in young people, of palliative care needs by working with schools to educate, as well as to encourage children to engage in activities that may assist patients under the care of the Hospice.

The Hospice cares for a wide range of patients affected by illness, including people with HIV, and assists this 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 Centre provides additional support to those patients who are faced with terminal illness. These services are delivered free of charge to the patient.

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. Two of the Brampton Trust Trustees are also directors 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 14 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 October 2016 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 specialty 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 decreased year on year by 5.1% to £55.7m (2019: £58.7m), of which £1.8m was restricted funds (2019: £2.2m). This was driven by a decrease in patient related income, particularly from inpatient and outpatient services, arising from COVID-19 outbreak and resulting measures taken by the UK Government to contain the virus.

The decrease in patient related income was offset by income from the contract with NHS England to provide facilities, staff and equipment in the fight against the Coronavirus pandemic.

Voluntary income decreased by 22.0% as a result of lower income received from donations and fundraising events.

### Expenditure

Total operating costs decreased by 2.1% in 2020 to £54.0m (2019: £55.1m) which was mainly due to lower hospital supplies and services. Staff costs were broadly flat reflecting a greater focus on costs management. Professional fees also fell mainly due to lower consultants and therapists fees.

### 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 planned redevelopment which commenced in 2017

The Charity's Free Reserves at 31 December 2020 were £1.7m (2019: £5.8m). The reserves are expected to decline in 2021 as it supports cash flows for its planned development (HJE2020), but the Trustees' intention is to grow the general fund once this has been completed.

The restricted funds which comprises of donations, grants and development funds held for the benefit of the Hospice at 31 December 2020 was £7.9m (2019: £9.0m).

### Operating Surplus

The operating surplus for the year amounted to £1.8m (2019: £3.7m) of which £1.1m deficit was restricted.

The balance sheet has strengthened with a £20.9m increase in total assets and a £19.1m increase in total liabilities. As a result net assets increased from £53.0m at December 2019 to £54.7m at the end of 2020.

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 bi-annual 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 Risk assurance 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 quarterly by the Hospital Management Board and twice yearly by the Board of Trustees. A formal review of the Charity's risk management processes is undertaken on an annual basis and a Risk Management Report and Statement of Internal Control is produced and signed by the Chief Executive.

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 Risk Management 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
- Brexit: The United Kingdom left the European Union on the 31 January 2020. In 2020 we operated under the terms of the withdrawal agreement until the transition period ended on the 31<sup>st</sup> December 2020. The hospital did not experience any major impact on the business.

### **The impact of COVID-19 on business**

The COVID-19 outbreak and resulting measures taken by the UK Government to contain the virus affected our business throughout 2020. In addition to the known effects, the macroeconomic uncertainty causes disruption to economic activity and it is unknown at this stage what if any the longer term impact on our business may be. At present there appears to still be strong demand for services with outpatient services beginning to recover and consultants building waiting lists of patients.

The main risks that the Board considers to be in place from the current uncertain situation regarding COVID-19 are:

- Slower up-take of elective surgery than the plan predicts, due to restrictions on clinical practice and prioritisation.
- Impact of economic decline on the number of insured lives resulting in a reduction in number of corporate clients and a fall in the discretionary spend of households.
- Deferral of non-clinically necessary treatment such as cosmetic surgery
- Anticipated that there may be a delay between diagnosis and treatment as clinical restrictions are in place

### **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 has ambitious plans to upgrade its facilities. In 2017, the Board approved plans to appoint a preferred contractor for the construction of its Hospital development (HJE2020), construction commenced in early 2019 the 72-week shell and core build commenced and the internal fit began in early 2021. This new development will deliver state of the art facilities including, seven new operating theatres, a dedicated Day Case Unit, along with an expanded Urgent Care Centre, Imaging Department and additional outpatient consulting rooms. As part of this program the hospital has also undertaken to refurbish and upgrade its current facilities.

In 2019 the Charity secured through donations the funding required to fully refurbish the Hospice Inpatient unit which will fully refurbish all patient bedrooms, create a new communal dining room, and an enlarged children's room. Work commenced on this in early 2020 but was suspended due to the Covid-19 pandemic, resumption of work commenced in summer 2020 and completed by the end of the year.

## 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 partnerships with seven local Clinical Commissioning Groups (CCGs) who assist in funding the Hospice to allow its services to be provided to patients free of charge.

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. 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 an 18 bed residential care unit, which is supported by a specialist team providing 24 hour care. It provides family centred care for people with terminal illnesses, including cancer, HIV/AIDS, heart disease, respiratory disease and Motor Neurone Disease. The Day Services Centre provides palliative care, complementary therapies, and a range of resources and activities.

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 49 people with bereavement support from our Social Work and Bereavement Team (2019: 210), and two dedicated children's bereavement days.

In total, the Hospice provided direct clinical care to 1,590 people (2019: 1,488).

The Hospice also provides a Lymphoedema service. In 2020, 350 patients were seen (2019: 336) and 867 sessions of treatment were provided (2019: 1,645). During the year, the Hospital provided £1,821,657 of assistance to the Hospice through the provision of clinical and non-clinical support (2019: £1,580,852). This sum does not include the value of infrastructure and equipment used to provide services to the Hospice patients on site.

In 2020, the Hospice had 256 admissions (2019: 246) which produced 3,416 inpatient bed nights (2019: 4,087). It also saw 46 patients in the Day Services Centre (2019: 76), producing 461 day care attendances (2019: 2,377). In relation to care provided to patients in the community, the Hospice had 201 new referrals (2019: 219), and provided care to 327 patients in total (2019: 328).

### **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 (including three Fayres), a major donor strategy, the operation of two charity shops and other community supported activities. In September 2019 The Hospice also held a benefactors dinner at the Wallace Collection. 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 and a candlelit procession from the Church to the Hospice.

Revenue from Fundraising decreased to £1,788,000 (2019: £2,230,000). Legacy income increased from £105,000 in 2019 to £333,000 in 2020. Donations from individuals decreased by 74% to £173,000 from £675,000 in 2019. Community and Events income increased by 8%, from £619,000 in 2019 to £669,000 in 2020. Income received from trusts increased in 2020 to £454,000 from £449,000 in 2019.

The services detailed above all assist in furthering the Charity's aim of the reception, care and treatment of patients and to serve the sick and dying, and to care for the physical, spiritual and emotional needs of patients.

### **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. 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.

## 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 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.

### **COVID-19: Partnership working with the Independent Sector Providers**

In March 2020 the Charity joined the Independent sector response to assist in the fight against the Covid-19 pandemic by contracting with NHS England and NHS Improvement, to provide facilities, staff and equipment. These nationally commissioned and funded contracts superseded local agreements and operated from Monday 23 March to 09 September 2020.

As part of this agreement, HJE delivered one of, or a mix of services for NHS patients including:

- NHS inpatient and outpatient (including full supporting pathology and imaging) services and urgent elective care and cancer treatment to Service Users in line with nationally set criteria;
- NHS inpatient non-elective care (either direct admission or transfer from an NHS organisation) but not for individuals who are medically fit for discharge.

### **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.

## **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 06 September 2021 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 2020 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 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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 activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

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](http://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: 6th September 2021

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 2020

				2020	2019
	Notes	Unrestricted funds	Restricted funds	Total	Total
		£000	£000	£000	£000
<b>Income from:</b>					
Donations and Legacies		-	1,039	<b>1,039</b>	1,333
Charitable activities		53,840	-	<b>53,840</b>	56,391
Other trading activities		-	749	<b>749</b>	897
Investment		38	-	<b>38</b>	49
<b>Total</b>	2(a)(b)	53,878	1,788	<b>55,666</b>	58,670
<b>Expenditure on:</b>					
Raising funds		-	(762)	<b>(762)</b>	(1,151)
Charitable activities		(51,027)	(2,157)	<b>(53,184)</b>	(53,935)
<b>Total</b>	3	(51,027)	(2,919)	<b>(53,946)</b>	(55,086)
Net income / (expenditure) before gains and losses on investments		2,851	(1,131)	<b>1,720</b>	3,584
Net gains on investments		47	-	<b>47</b>	125
<b>Net income / (expenditure)</b>		2,898	(1,131)	<b>1,767</b>	3,709
<b>Reconciliation of funds:</b>					
Total funds brought forward		43,968	9,022	<b>52,990</b>	49,281
<b>Total funds carried forward</b>	10, 11	46,866	7,891	<b>54,757</b>	52,990

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

**Balance Sheet**  
31 December 2020

	Notes	<b>2020</b> <b>Total</b> <b>£000</b>	2019 Total £000
<b>Fixed assets</b>			
Tangible assets	5	<b>60,889</b>	53,840
Investments	6	<b>810</b>	763
		<b>61,699</b>	54,603
<b>Current assets</b>			
Stock		<b>1,425</b>	1,384
Debtors	7	<b>8,315</b>	7,462
Cash at bank and on hand		<b>19,505</b>	6,901
		<b>29,245</b>	15,747
<b>Creditors</b>			
Amounts due within one year	8	(9,010)	(7,374)
<b>Net current assets</b>		<b>20,235</b>	8,373
<b>Total assets less current liabilities</b>		<b>81,934</b>	62,976
<b>Creditors</b>			
Amounts due in more than one year	8	(27,177)	(9,986)
<b>Net assets</b>		<b>54,757</b>	52,990
<b>Represented by:</b>			
General fund	10, 11	<b>46,866</b>	43,968
Restricted funds	10, 11	<b>7,891</b>	9,022
		<b>54,757</b>	52,990

The financial statements were approved by the Board of the Corporate Trustee and authorised for issue on 06 September 2021 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 2020

		<b>2020</b>	2019
	Notes	<b>£000</b>	£000
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	12	<b>6,846</b>	5,751
<b>Cash flows from investing activities:</b>			
Dividends, interest and rent from investments		<b>38</b>	49
Purchase of property, plant and equipment		<b>(11,339)</b>	(10,793)
Net cash used in investing activities		<b>(11,301)</b>	(10,744)
<b>Cash flows from financing activities:</b>			
Loan interests		<b>(132)</b>	(543)
Repayments of borrowings		<b>(35)</b>	(233)
Repayments of finance lease		<b>0</b>	(47)
Cash inflows from new borrowing		<b>17,226</b>	0
Net cash provided by / (used in) financing activities		<b>17,059</b>	(823)
<b>Change in cash and cash equivalents in the year</b>		<b>12,604</b>	(5,816)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>6,901</b>	12,717
<b>Cash and cash equivalents at the end of the year</b>		<b>19,505</b>	6,901

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

We continue to take a number of measures to monitor and mitigate the effects of the COVID-19 virus on the business. This includes safety and health measures for our staff such as enforcing social distancing and remote working where possible, agreement to provide additional capacity support to NHS England, supply chain reviews to secure inventory, draw down from facility agreement to support HJE 2020 progress and continuity of operations.

Whilst uncertain, we do not believe that the impact of the COVID-19 virus will have a material adverse effect on our financial condition or liquidity.

On the basis of their 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, 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

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.

### 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 accrual's 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:

	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Voluntary Income</b>		
Donations	<b>706</b>	1,228
Legacies	<b>333</b>	105
	<b>1,039</b>	1,333
<b>Other trading activities</b>		
Income from shop	<b>80</b>	278
Income from events and the community	<b>669</b>	619
	<b>749</b>	897
<b>Income from investments</b>		
Dividends, Interest	<b>38</b>	49
	<b>38</b>	49
<b>Income from charitable activities</b>		
Income from fee paying patients	<b>42,875</b>	52,664
Grant Income	<b>121</b>	-
CCG income	<b>10,844</b>	3,727
	<b>53,840</b>	56,391
<b>Total income</b>	<b>55,666</b>	58,670

(b) Income in respect of Restricted Funds :

	<b>2020</b>	2019
	<b>£000</b>	£000
Donations - Hospice	<b>706</b>	1,228
Legacies	<b>333</b>	105
Other trading activities	<b>749</b>	897
	<b>1,788</b>	2,230

### 3. EXPENDITURE ANALYSIS

			<b>2020</b>	<b>2019</b>
	Direct Costs £000	Support Costs £000	<b>Total</b> <b>£000</b>	Total £000
<b>Costs of raising funds</b>				
Costs of generating voluntary income	314	176	<b>490</b>	667
Fundraising : Retail shops and events	272	-	<b>272</b>	484
<b>Charitable activities</b>				
Medical nursing and ancillary costs	32,762	20,422	<b>53,184</b>	53,935
	<b>33,348</b>	<b>20,598</b>	<b>53,946</b>	55,086

Total expenditures in 2019 consisted of £53,164,000 unrestricted and £1,922,000 restricted funds.

Support costs totalling £20,946,231 (2019 : £19,951,388) 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 others 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.

	<b>2020</b>	2019
	<b>£000</b>	£000
Included within charitable activities:		
Governance costs :		
Auditors remuneration - statutory audit	<b>46</b>	52
Legal fees	<b>118</b>	96
Rentals in respect of operating leases	<b>427</b>	427
Depreciation is split between assets owned and those under finance leases as follows:		
Assets owned	<b>3,548</b>	3,387
Assets under finance leases and hire purchase	<b>78</b>	108
	<b>3,626</b>	3,495
Interest is payable as follows:		
On bank overdraft and other bank funding	<b>132</b>	543
	<b>132</b>	543

#### 4. EMPLOYEES

	<b>2020</b>	2019
	<b>No.</b>	No.
The average number of employees, based on headcount, including directors and bank staff during the year was:		
Fundraising	<b>6</b>	7
Retail shop	<b>1</b>	1
Other charitable activities	<b>595</b>	585
<b>Total employees</b>	<b>602</b>	593
The aggregate emoluments paid to employees was:		
	<b>£000</b>	£000
Salaries and wages	<b>22,670</b>	22,979
National insurance costs	<b>2,405</b>	2,450
Pension costs	<b>962</b>	943
Other staff costs	<b>1,619</b>	1,039
	<b>27,656</b>	27,411
Other staff costs relate to fees paid for agency staff		
	<b>2020</b>	2019

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	22	18
£70,000 - £79,999	8	5
£80,000 - £89,999	6	6
£90,000 - £99,999	2	4
£100,000 - £109,999	3	4
£110,000 - £119,999	1	1
£120,000 - £129,999	1	0
£130,000 - £139,999	2	2
£140,000 - £149,999	0	1
£200,000 - £209,999	0	0
£210,000 - £249,000	1	1

A contribution of £193,348 (2019: £176,176) 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 14 - 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 £600,768 (2019: £626,131).

Redundancy and contract termination payments are expensed as incurred through the SOFA. During the year, redundancy and termination costs of £125,254 were formally agreed under employment contracts (2019: £90,236).

## 5. Tangible Assets

	Freehold Land	Building	Machinery, Equipment, Fixtures and Fittings	Assets under Construction	<b>Total</b>
	£000	£000	£000	£000	<b>£000</b>
<b>Cost</b>					
As the beginning of the period	1,782	47,400	33,245	18,334	<b>100,761</b>
Additions	-	2,969	1,243	7,127	<b>11,339</b>
Disposals	-	(1,382)	(47)	-	<b>(1,429)</b>
<b>At the end of the period</b>	<b>1,782</b>	<b>48,987</b>	<b>34,441</b>	<b>25,461</b>	<b>110,671</b>
<b>Depreciation</b>					
As the beginning of the period	-	(18,256)	(28,164)	(501)	<b>(46,921)</b>
Disposals	-	718	47	-	<b>765</b>
Charge for the year	-	(1,928)	(1,698)	-	<b>(3,626)</b>
<b>At the end of the period</b>	<b>-</b>	<b>(19,466)</b>	<b>(29,815)</b>	<b>(501)</b>	<b>(49,782)</b>
<b>Net book value</b>					
31 December 2020	<b>1,782</b>	<b>29,521</b>	<b>4,626</b>	<b>24,960</b>	<b>60,889</b>
31 December 2019	<b>1,782</b>	<b>29,144</b>	<b>5,081</b>	<b>17,833</b>	<b>53,840</b>

The net book value of tangible fixed assets includes an amount of £12,996 (2019: £90,973) in respect of assets held under finance leases. The related depreciation charge for the year was £77,977 (2019: £107,641).

### Total operating lease commitments

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

	Land & Buildings		Other	
	2020 £000	2019 £000	2020 £000	2019 £000
Within 12 months	<b>75</b>	128	<b>321</b>	200
Between two and five years	<b>75</b>	361	<b>183</b>	378
Within more than 5 years	-	70	-	-
	<b>150</b>	559	<b>504</b>	578

The land and buildings lease relates to the rental of two charity shop premises. We served notice to terminate the lease of Shop 2 in October 2020 and an onerous contract provision of £48,203 was recorded in the accounts to reflect the costs of exiting the lease.

## 6. Investments

	<b>2020</b>
	<b>£000</b>
<b>Market Value</b>	
Value at 1 January 2020	763
Increase in value of securities	47
<b>Value at 31 December 2020</b>	<b>810</b>
<b>Historical cost of investments</b>	
at 31 December 2020	335
at 31 December 2019	335

Investments are UK listed.

## 7. Debtors

	<b>2020</b>	2019
	<b>£000</b>	£000
Private patient accounts receivable	<b>4,980</b>	3,596
Other debtors	<b>376</b>	488
Prepayments and accrued income	<b>2,959</b>	3,378
All amounts are due within one year	<b>8,315</b>	7,462

## 8. Creditors

	2020	2019
	£000	£000
<b>Amount falling due within one year</b>		
Secured loans (see note 9)	135	135
Trade creditors	2,832	1,524
Taxes and social security	655	656
Other creditors	4,566	3,974
Deferred income	822	1,085
	<b>9,010</b>	<b>7,374</b>
<b>Amount falling due in more than one year</b>		
Secured loans (see note 9)	27,177	9,986
	<b>27,177</b>	<b>9,986</b>
<b>Deferred income</b>		
Opening balance 1 January 2020	1,085	959
Released in 2020	(1,085)	(959)
Deferred in current year	822	1,085
Closing balance 31 December 2020	<b>822</b>	<b>1,085</b>

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

## 9. Loans

			2020	2019
	Barclays Facility £000	Brampton Trust £000	Total £000	Total £000
<b>(a) Analysis</b>				
Balance at beginning of the period	9,342	779	<b>10,121</b>	10,354
Additions	17,226	-	<b>17,226</b>	-
Repayments	-	(35)	<b>(35)</b>	(233)
<b>Balance at end of the period</b>	<b>26,568</b>	<b>744</b>	<b>27,312</b>	10,121
<b>(b) Maturity</b>				
Repayable by instalments				
- due within one year	-	135	<b>135</b>	135
- due within five years	-	542	<b>542</b>	542
- due in more than five years	26,568	67	<b>26,635</b>	9,444
	<b>26,568</b>	<b>744</b>	<b>27,312</b>	10,121

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 £17m from the facilities agreement to fund the Hospital Development was finalised in July.

Finance costs capitalised in the year amounted to £278,801 (2019: £Nil).

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.

## 10. Funds

		<b>Movement in resources</b>				
		<b>Balance at 1 January 2020 £000</b>	Income £000	Expenditure £000	Transfers/ investment gains £000	<b>Balance at 31 December 2020 £000</b>
<b>Restricted funds</b>						
Butterworth Centre Development	(a)	<b>3,436</b>	-	(103)	-	<b>3,333</b>
Hospice extension	(b)	<b>54</b>	-	-	-	<b>54</b>
Brampton House capital appeal	(c)	<b>1,486</b>	-	(40)	-	<b>1,446</b>
Department of Health grants	(d)	<b>189</b>	-	(5)	-	<b>184</b>
Department of Health Grant 10/11	(d)	<b>482</b>	-	(14)	-	<b>468</b>
The Wolfson Foundation	(e)	<b>107</b>	-	(3)	-	<b>104</b>
Hospice IPU Development	(f)	<b>1,125</b>	591	(2,067)	351	<b>(0)</b>
Hospice Donations	(g)	<b>83</b>	864	(687)	-	<b>260</b>
Legacies	(h)	<b>2,060</b>	333	-	(351)	<b>2,042</b>
		<b>9,022</b>	<b>1,788</b>	<b>(2,919)</b>	<b>0</b>	<b>7,891</b>
<b>Unrestricted funds</b>		<b>43,968</b>	53,878	(51,027)	47	<b>46,866</b>
<b>Charity funds</b>		<b>52,990</b>	<b>55,666</b>	<b>(53,946)</b>	<b>47</b>	<b>54,757</b>

### (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 11. 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 11. 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. £351,000 was transferred from legacies to complete the development of the Hospice Inpatient unit.

## 11. 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	3,333	-	-	-	<b>3,333</b>
Hospice extension fund	-	-	54	-	<b>54</b>
Brampton House Capital Appeal	1,446	-	-	-	<b>1,446</b>
Dept of Health Grant	184	-	-	-	<b>184</b>
Dept of Health Grant 10/11	468	-	-	-	<b>468</b>
The Wolfson Foundation	104	-	-	-	<b>104</b>
Hospice Donations	-	-	260	-	<b>260</b>
Other Legacy	-	-	2,042	-	<b>2,042</b>
Unrestricted funds	55,354	810	17,879	(27,177)	<b>46,866</b>
	<b>60,889</b>	<b>810</b>	<b>20,235</b>	<b>(27,177)</b>	<b>54,757</b>

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).

## 12. Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities

	2020	2019
	£000	£000
Net surplus for the year	<b>1,767</b>	3,709
Depreciation charges	<b>3,626</b>	3,495
Net on gains investments	<b>(47)</b>	(125)
Other non cash adjustments	<b>664</b>	14
Dividend and interest income	<b>(38)</b>	(49)
Increase in stock	<b>(41)</b>	(116)
(Increase) / Decrease in debtors	<b>(854)</b>	1,064
Increase / (Decrease) in creditors	<b>1,636</b>	(2,785)
Interest paid	<b>132</b>	543
	<b>6,846</b>	5,751

### 13. Analysis of Changes in Net Debt

	<b>Balance at 1 January 2020</b>	<b>Cashflows</b>	<b>Other Non- cash Changes</b>	<b>Balance at 31 December 2020</b>
	£000	£000	£000	£000
<b>Cash and cash equivalents</b>				
Cash	6,901	12,604	-	<b>19,505</b>
	<b>6,901</b>	<b>12,604</b>	<b>-</b>	<b>19,505</b>
<b>Borrowings</b>				
Debt due within one year	(135)			<b>(135)</b>
Debt due after one year	(9,986)	(16,965)	(226)	<b>(27,177)</b>
	<b>(10,121)</b>	<b>(16,965)</b>	<b>(226)</b>	<b>(27,312)</b>
<b>Total</b>	<b>(3,220)</b>	<b>(4,361)</b>	<b>(226)</b>	<b>(7,807)</b>

### 14. Related Party Transactions

Professor Margaret Johnson an elected director was reimbursed expenses relating to her services as a Respiratory Consultant in the amount of £9,480. The Charity received £22,818 from her relating to amounts invoiced for room rental, secretarial fees, diagnostics and drugs. Mr Robert Marston an elected director was reimbursed expenses relating to his services as Consultant Orthopaedic Surgeon in the amount of £49,885. The Charity received £14,511 from him relating to amounts invoiced for room rental, secretarial fees, diagnostics and drugs.

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 £23,600 (2019: £26,320).

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 £263,000 (2019: £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 has also provided the Charity with an interest free loan with a balance of £744,333 at 31 December 2020 (2019: £778,167). Quarterly loan repayments are set at £34,000.

Brampton Trust agreed to a loan repayment holiday from 1Q 2020 with a resumption in repayments in 1Q 2021.

### 15. 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 £961,581 (2019: £943,182). £131,394 (2019: £92,489) was payable to the fund at the year end.

### 16. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £2,350,769 (2019: £6,266,732).

