

Company no. 01494909
Charity no. 280093

Prospect Hospice Limited
Report and Audited Financial Statements
31 March 2022

Prospect Hospice Limited

Reference and administrative details

For the year ended 31 March 2022

Company number	01494909
Charity number	280093
Registered office and operational address	Moormead Road Wroughton Swindon Wiltshire SN4 9BY
Patrons	Jonathan Wilkes Helen Browning Sarah Troughton
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Robin Bailey appointed 27 September 2021 David Barrand resigned 27 September 2021 Pradeep Bhardwaj Sheila Bryant Eleanor Butler John Gilbert resigned 2 December 2021 Caroline Hallatt Kevin Howard appointed 27 September 2021 Sarah Jones Joseph Lewis Douglas Looman resigned 27 September 2021 Jennifer Seavor Penny Tidbury Shelley Whitehead appointed 27 September 2021 Lindsay Whittam
Chief executive officer	Irene Watkins
Senior leadership team	Helen Baxter Director of Finance Carolyn Bell Director of Patient Services Warren Finney Director of Community Development Jo Hollingsworth Director of People
Medical director	Sheila Popert
Bankers	HSBC plc Unit 6 The Lock Canal Walk Swindon SN1 1LD

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For the year ended 31 March 2022

Investment managers

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Vanguard Investments UK Limited
The Walbrook Building
25 Walbrook
London
EC4N 8AF

Auditors

Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2022

The trustees present their annual report together with the audited financial statements of Prospect Hospice Limited for the year 1 April 2021 to 31 March 2022. This report incorporates the strategic report as required by company law.

Objectives and activities

a. POLICIES AND OBJECTIVES

The Charity's objects are restricted to the provision of specialist end-of-life care, including physical, psychological, social and spiritual care and otherwise in such ways as the Charity shall from time to time think fit and, in particular (but without prejudice to the generality of such objects):

- a) by establishing, maintaining and conducting facilities in England for the reception and care of persons who require end-of-life care, whether provided in such facilities or in their own home;
- b) by conducting or promoting or encouraging research into the care and treatment of persons suffering from any such illness, infirmity, disability or disease and particularly into the care and treatment of persons suffering from cancer or any terminal illness and disseminating the results thereof to the public; and
- c) by promoting, encouraging or assisting in the teaching or training of doctors, nurses, physiotherapists and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services.

Prospect Hospice's vision is excellent, personalised and compassionate care for everyone affected by a life-limiting illness. Our mission is to lead, provide and influence excellent care, so that everyone affected by a life-limiting illness can access specialist personalised care when and where they need it. We work with our community to ensure that our vision and mission remains relevant to their needs.

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

Prospect Hospice's principal activities are to provide timely and responsive care and support for people living with and dying from advanced and progressive life-limiting illness. This is achieved through:

- An in-patient facility providing respite care, symptom control and care at the very end of life which the hospice operates on a flexible model based on patient need and available resource;
- A Day Therapy Unit offering therapeutic and social opportunities for out-patients;
- A Prospect at Home service, providing practical support and nursing care for up to 24 hours a day, in patients' own homes;
- A community-based clinical nurse service providing advice, support and information for patients at home, in local care homes and in other community services such as GP surgeries;
- A consultant-led medical team providing expertise across the range of the hospice's services and locations;
- Rehabilitation services including physiotherapy, occupational therapy and dietary advice;
- A range of practical and psycho-social support services to patients, families, and carers provided through a family support team. Their work extends to providing support for carers and people who have been recently bereaved;
- A range of complementary and creative therapies;
- Spiritual support service for patients and their families;
- Care services delivered by a multi-professional team for patients living with lymphoedema; and
- Education and training on end-of-life care and support for health and social care professionals.

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Highlights in the year

Care Quality Commission rates Prospect Hospice as “Outstanding”

In October 2021, following a full inspection by the Care Quality Commission (CQC) the hospice was delighted to receive an overall rating of outstanding.

The inspectors grade the five areas of Safe, Effective, Caring, Responsive and Well-Led. The hospice received a good rating for three categories and was graded as Outstanding both for Caring and for Well-Led, with an overall rating of Outstanding.

The CQC inspectors recognised that our staff provided outstanding care to our patients and that those patients felt they were truly cared for and supported by our staff and volunteers.

They also found the hospice is proactive and innovative in responding to patient need, developing new ways of working where needed. An example that the CQC highlighted was the introduction of a whole system of training, with new protocols, so that carers could safely administer prescribed pain relief via subcutaneous (just under the skin) injections for their loved ones. Carers fed back how they found this increased involvement in caring for their loved one a positive experience.

The report praised the hospice for the improvements made in the Well-Led area and noted that there was compassionate, inclusive and effective leadership at all levels, and that patient and family experience was always taken into account.

The CQC recognised that the trustees, executive and leadership teams were visible and approachable and that the voices of patients, carers, volunteers and staff were listened to and acted upon. Inspectors found the culture within the organisation inclusive, supportive and cohesive and that staff felt respected and valued and they enjoyed working at the hospice, feeling it was an excellent place to work.

Response to system-wide pressures

In discussion with the Clinical Commissioning Group (CCG) and with some additional short-term NHS funding, we increased our inpatient unit bed capacity at the end of December 2021 to 10 beds, and then to 12 beds from January 2022 through to the end of March 2022, to help manage the extreme bed pressures in the Great Western Hospital and local care homes.

Our beds were used to support our usual cohort of patients at the end of life, as well as others who needed care and management of their complex symptoms.

Impact of the Covid-19 pandemic

For the second year running the Covid-19 pandemic has had a direct impact on all voluntary income streams. Fundraising participation events had to be postponed again and retail shops had to deal with significantly lower footfall and lost trading days as a consequence of Covid-related staff absences.

As Covid-19 continued through into winter 2021/22 the hospice supported the NHS's winter pressures Covid-19 response, as highlighted above, and was granted additional funding from the local CCG. In addition NHS England awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the Covid-19 situation.

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The pandemic has continued to impact staff and patients, but has been well-managed across all services, with good supplies of PPE secured. Our robust processes to minimise risks of cross-infection have been highly effective. We have had no Covid-19 outbreaks, despite delivering care to people who have been Covid-positive in the community and on our inpatient unit.

Covid-related staff absences have made maintaining staffing levels challenging, but colleagues have worked above and beyond to maintain service delivery. We are exceptionally proud of the excellent “whole team working” that made this happen.

MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY’S PURPOSES FOR PUBLIC BENEFIT

Under the Charities Act, all charities must have charitable purposes or aims that are for the public benefit. The Charities Act 2011 sets out thirteen aims which are recognised for charitable purposes, of which Prospect Hospice meets three – the advancement of health, the relief of those in need by ill health or disability, and the advancement of education. All services provided to patients, families and carers are free of charge to the user.

The trustees refer to the Charity Commission’s general guidance on public benefit when reviewing the charity’s aims and objectives.

Achievements and performance

REVIEW OF ACTIVITIES

As outlined in the highlights of the year it has been another financially challenging year for the hospice as a direct consequence of the Covid-19 pandemic. At the start of the year we were estimating that there would be a financial deficit of £1.7m for the 21/22 financial year. In order to protect our already stretched reserves, the trustees agreed to access the government Coronavirus Business Interruption Loan Scheme (CBILS) loan facility.

Recovery of voluntary income streams continues to be the key focus for the trustees, executive and leadership teams to enable the hospice to continue to provide the much-needed specialist end of life services for the people of Swindon and north east Wiltshire. With continued uncertainty regarding the timeline of recovery for income, in October 2021 trustees agreed to appoint a specialist fundraising consultancy firm Compton to assist us with income recovery and a wider community engagement strategy.

Supporting patients and families

Throughout the year, despite the challenges posed by the pandemic restrictions, our support for patients and families has continued without interruption. During the year there were 1,809 referrals to the hospice and the patient services teams undertook 78,495 patient and carer-related consultations.

The hospice has had an average active caseload of around 704 patients at any one time over the last year. Whether care and support services are being delivered at the hospice in Wroughton or in the community, such as in a patient’s own home, the care provided has made a difference to patients and those that matter to them. This was expressed by patients and families in feedback such as that below.

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Feedback from patients - I Want Great Care

Inviting feedback from our patients and those important to them is crucial, as well as helping us identify what people value, it also highlights where we can make improvements. This year we purchased a feedback management system called I Want Great Care, which is used across many hospices, hospitals and other health organisations. We hope this system will be live by the end of quarter one of 2022/23.

Feedback from carers and service users

As part of our Quality Contract with the CCG (July 2021) we are required to review how we provide improved and seamless support to the health and well-being of carers. Feedback from carers about their needs and experience is already collected and presented in different ways.

“What matters to you matters to us” is a short hospice survey comprising two questions on an A5 sized card which asks about someone’s experience of the hospice and its services. This is run as a quarterly “Feedback Fortnight” activity to collect views primarily from service users, but can be used by carers and family too. This is collated, reported and followed up if concerns are raised.

What our patients and their loved ones tell us about Prospect Hospice

Alisa Holt, daughter of Margaret and Eric

“It was the Easter weekend, but Prospect Hospice staff came out to Mum and sorted out everything she needed, in spite of it being a bank holiday. They brought the equipment she needed, and we had visits from carers twice a day, and her medication was sorted immediately.”

“Some of the carers had also looked after Dad in the in-patient unit, and remembered Mum, which was comforting. Mum died in June 2021, and though her experience of Prospect Hospice was different to Dad’s, both had amazing care.”

“The thing we found equally important, though, was the way Prospect Hospice understood and cared about us children, too. It can be traumatising to have to provide very personal care to your own parents, but they understood that and helped us be their children again, rather than their carers. They enabled us all to reclaim dignity, and they also enabled us to cry about the whole situation. That meant so much.”

Colleen Maskell, patient

“One Prospect Hospice nurse suggested I go into the hospice’s inpatient unit, so that they could help me rest and get my energy levels back up, so I could manage back at home. It was absolutely fantastic there.”

“I had a beautiful room to myself, and it felt like a posh hotel. I didn’t have to worry about anything – I didn’t even have to put the kettle on – and the staff were all so kind to me. They could take the time to talk to me – one of the best things was when Charlotte, my therapy assistant, would push me round the lovely grounds and we’d look at the plants together.”

“I really hadn’t known what to expect before I went in, but every single person there was kind, attentive, and so caring. They really do love their patients. There’s no other word. When I came to go home a few weeks later, even the chef came to say goodbye to me – and gave me two packs of the sausages I’d said I loved, to take back home with me!”

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Tristan Foot, son of Eric

“Prospect Hospice fully supported Dad’s wish to remain at home, and were insistent that Dad be allowed to have a hospital bed at home. They really pushed for him to get it, which was such a help.”

“The thing that really struck me was they just cut through any red tape, any rubbish, wouldn’t take no for an answer and sorted everything out for our father. They have such a strong combination of end of life skills, experience and understanding how the various health and care systems work – it meant they saw a situation and acted to resolve it.”

“The night Dad died they even sent someone in to sit with him, so that Mum could have a bit of sleep. Without Prospect Hospice doing all that they did for him, Mum wouldn’t have had anyone there when he passed. Instead, she would have been alone at home with him, seeing him die in considerable discomfort.”

“The fact that he was able to spend his final days and nights in his own home, in relevant comfort, together with his wife, is something you can’t put a price on. I will always be grateful to Prospect Hospice for that.”

Savernake

In June 2021 Prospect Hospice took the decision to move our services from Savernake Hospital, near Marlborough, where we had operated a base for five years. During this time we welcomed many patients into our wellbeing centre and relished the opportunity to care for patients from north east Wiltshire in a different setting to the hospice.

However, the onset of the pandemic meant we needed to review what our patients and those important to them wanted, and how we could best support their needs. This has meant treating far more people in their own homes, through virtual contact using video calling, or in their local community.

This move to a more community-based model of service delivery will result in people in north east Wiltshire receiving a more enhanced, personalised service, tailored to their needs in a place that suits them. This new model will enable us to have a presence in many more communities, increasing our flexibility as our patients need us to.

BaNES, Swindon and Wiltshire (BSW) End of Life Alliance

The NHS Long Term Plan (2019) outlined the move from CCGs to Integrated Care Systems (ICSs). The newly-formed BaNES, Swindon and Wiltshire (BSW) CCG was granted this status in December 2020.

In an ICS, NHS organisations, local authorities and other partners including the third sector such as hospices “take collective responsibility” for the management of resources to improve the health of the population and to deliver on the aims of the ICS.

The BSW Palliative and End of Life Care Oversight Group (a combined provider and commissioner collaborative) was formed in September 2020 to best make use of the new strategic opportunities this offers. It is led by the CEOs of the three hospices in the ICS area: Prospect Hospice, Dorothy House Hospice and Salisbury Hospice.

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The oversight group has developed recommendations to build on work already in place to achieve equitable, sustainable, cost efficient and outcome-driven palliative and end of life care services fit for the current and future needs of the population of BaNES, Swindon and Wiltshire.

At a local level for Swindon and north east Wiltshire, an end of life review has been instigated across all partners, with Prospect Hospice as the specialist provision at the heart of the discussions on palliative and end of life care for our local population.

Income generation

The pandemic has had a lasting impact on all retail, including our own shops. Whilst shops re-opened mid-April, footfall was down dramatically, and the universal increase in online shopping means there is no clear picture of what the “new normal” will be in the retail sector.

Since re-opening, the trading performance of our shops has improved month on month, and we have seen the number of transactions grow throughout this year. But while the position is improving, we are not yet back to pre-pandemic levels of income, net contribution or numbers of transactions. At the start of the current year, and responding to the changing retail environment, we restructured our retail team, closed three shops and increased our support for online sales.

For the first time we asked customers what they liked about our shops and what they'd change. We received around 400 responses, the vast majority of them overwhelmingly positive, and these are helping us to shape a new retail strategy which will be finalised next year. Despite the challenges, retail delivered on its income and profit budget this year. Net contribution 2021/22 was £0.3m, against a net deficit of £0.6m in 2020/21, reflecting an increase in contribution of £1m year on year.

As with retail it has been another very difficult year for fundraising across all fundraising income streams with community activities and large scale events cancelled for the second year. Despite the enormous challenges and uncertainty, fundraising net contribution finished the year ahead of budget with legacies being a key driver of this result, finishing £0.5m above budget, and £0.9m up on 2020/21. In addition, the Charity Extra campaign which ran in May 2021 raised £0.2m, which went some way towards filling the gap caused by our inability to run normal fundraising activities.

A new 'Because of You' campaign was developed during the last quarter of the year in readiness for its launch in April 2022. The key focus of the campaign is to increase awareness of the work of the hospice and of the vital role that our supporters have in making our care a reality by helping the hospice to increase our income. It establishes that because of our supporters we are able to provide our outstanding care, but without them we will not be able to support the people in our community who urgently need us. A media campaign, featuring patients and their families' experiences of Prospect Hospice, was launched at the end of April 2022 to support Because of You.

Staff engagement and inclusion

Staff engagement and inclusion is critical for the hospice to be an employer of choice. Staff need to grow and develop in their roles to deliver services to the highest standards, and to enjoy job satisfaction.

This year Prospect Hospice delivered a set of Your Prospect staff engagement days. Staff from across the organisation came together over four days to better understand how colleagues from other teams and departments work, the importance of each other's roles and to help shape the organisation's new strategy.

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Feedback from these days was very positive, with staff valuing the opportunity to shape the hospice's future vision and aims, meeting new colleagues and understanding and valuing their different roles. The invaluable feedback is helping shape our new organisational strategy and we aim to repeat the Your Prospect days in September 2022 as we finalise this strategy.

Volunteers

Volunteers are a vital and integral part of the hospice, playing a part in every department and having a positive impact. Unsurprisingly, during 2021 the pandemic had a serious impact on the numbers of volunteers able to support the charity.

While our shops re-opened in April 2021, many volunteers decided not to return whilst the infection rate was still high. Since then volunteers have returned to a number of different services, bringing their invaluable skills, energy and commitment and we are currently looking at innovative and exciting roles for volunteers in 2022/23. These include new roles on our inpatient unit and in our shops, and roles to engage with various communities across Swindon and north east Wiltshire.

Investing in new technology

Last year we launched a project to move from an existing stand-alone patient care record database to a new one. SystemOne has the advantage of direct links to many GP surgeries in our area and will support more effective patient care and support. This transition has continued throughout the year and we anticipate going live later in 2022.

Last year we also piloted Vantage's Sentinel incident and accident reporting software across one department. Sentinel enables real-time reporting of incidents and accidents across the organisation, to help us manage risks more effectively. This year we rolled Sentinel out across the organisation.

Environmental impact

At the hospice we recognise that not only must we be a financially sustainable organisation but that we also have a part to play in reducing our waste and being more environmentally sustainable.

This year we created a new partnership with the local office of vehicle leasing and fleet management company Arval, investigating the potential to replace our fossil fuel-based retail vans with electric vehicles. The work is almost complete and we hope to be able to make a formal announcement in the first quarter of 2022/23.

We have also during this year:

- Increased recycling throughout the hospice estate which will result in less waste going to landfill;
- Worked on supply routes and supply management for all medical and general consumables into the hospice with the aim of reducing waste arising from out-of-date products;
- Reconfigured space within the hospice to benefit staff wellbeing and facilitate hybrid working; and
- Moved towards more electronic record keeping, reducing the use of paper as well as other products used in the printing process.

Financial review

a. GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

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b. PRINCIPAL RISK AND UNCERTAINTIES

The principal risks and uncertainties identified by the trustees are:

Post pandemic income recovery timeline

We have undertaken extensive financial income projections and scenario planning as we enter this new financial year to ensure we have taken all known possibilities into consideration. However we have to recognise that these are projections and the future impact of the pandemic and war in Ukraine is unknown.

We recognise that our recovery timeline is therefore potentially subject to change. To ensure we monitor and respond accordingly we have implemented regular weekly and monthly income and financial assessments to provide us with the insight we need to be able to respond in an appropriate timeframe.

Recruitment and retention of staff

Like many businesses in the post-pandemic climate we recognise one of our risks is staff recruitment and retention. Our focus continues to be on working with existing staff to ensure a positive organisational culture, one where our staff feel valued and supported and where they enjoy coming to work.

Whilst we have not been able to offer a financial uplift in the new financial year (22/23), we will continue to keep staff pay under review.

Reduction/closure of services

We have managed to make the cost reduction we needed without a reduction in our range of services, and we have set out ambitious but achievable financial targets, including our Because of You campaign, to enable our services to continue. However we recognise that there is an uncertain financial future, one which we are monitoring and will respond to accordingly.

c. FINANCIAL OVERVIEW

The financial performance of the charity is set out in the attached financial statements.

The result stated on page 22 is a net cost of £138k compared to a net income of £373k in the previous year. This result depicts the continued pressures on all streams of voluntary income impacted by the Covid-19 global pandemic offset by the special government Covid-19 support grants. There was also a net gain on investments of £338k (£651k in the prior year). The community has continued to support the hospice as much as was possible in an exceptionally tough year.

Incoming resources

As set out on page 22, total incoming resources, including income from charitable activities, was £7,228k for the year (£7,125k in 2020/21).

Resources expended

Prospect Hospice's expenditure on a recurring basis (set aside) to provide care and support for patients, families and carers has increased by £322k over the previous year. Expenditure in generating fundraising income was marginally down on the previous year.

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d. RESERVES POLICY

In line with the Charity Commission Guidance (Charities Reserves CC19), the trustees are aware of the need to secure the viability of Prospect Hospice beyond the immediate future.

It is the policy of the hospice to aim to keep at least 6 months of future operating costs as free reserves and as an absolute minimum to keep a level of reserves sufficient to meet its liabilities in the event of a winding up of the organisation. The trustees will keep the level of reserves under continuous review. If the level of free reserves fall below the policy level the trustees will review all reserves and their purpose and may choose to transfer previously designated reserves into free reserves to enable them to utilise where most needed for the provision of the hospice's charitable aims.

As outlined in the financial statements as at 31 March 2022 general reserves were £5.8m. Of this total £1.2m relates to unrestricted fixed assets. General funds have increased in total during the year by £81k. The year end figure, excluding the balance held in fixed assets, represents approximately 7 months' worth of future operating expenditure.

The reserves policy also allows for the designation of funds at the trustees discretion. There were no designated funds in either 2021 or 2022.

e. MATERIAL INVESTMENTS POLICY

The trustees have taken note of the guidance given by the Charity Commission in their booklets "Charities' Reserves (CC19)" and "Trustee Act 2000". As at 31 March 2022 the investment portfolio had a market value of £3.9m (2021 £3.6m). The investment strategy is set out below:

- The hospice seeks to produce the best financial return on investments within an acceptable level of risk.
- The hospice adopts a total return approach to investment for its general fund portfolio, generating an investment return from income and capital gains or losses. It is expected that if in any one year the total return is insufficient to meet the budgeted expenditure, in the long term the real value of the fund will still be maintained in accordance with the investment objective above.
- The investment objective is to generate a total return of inflation plus 4% per annum over the longer term, after expenses. The hospice does not set a specific target income level. Income from the long-term general fund will be used to fund the activities of the hospice. An expected level of income will be agreed with the investment managers on an annual basis to enable effective budgeting.
- The general portfolio is to be invested in a diversified portfolio of assets according to the strategic allocation ranges that are to be set and regularly reviewed by trustees.
- A key risk to the long term sustainability of the hospice is inflation, and the portfolio should be invested primarily in equities to mitigate this risk over the long term. The trustees understand that when investments are concentrated primarily in equities, the capital value of the portfolio will fluctuate.

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- The trustees are able to tolerate volatility of the capital value to the long-term general fund portfolio, as long as the hospice is able to meet its short term spending commitments through their income or liquid capital assets. The trustees understand that the main portfolio might lose up to 30% of its value over 12 months due to market volatility (based on the initial strategic asset allocation and historical data for the respective investment instruments). Such a loss is generally expected to be recovered over time through the investment cycle. Trustees will require the investment managers to control volatility of the main portfolio, which should not exceed 70% rate of volatility of the global equity market (measured as FTSE All World Index).

Additionally £452k is held as investment land as at 31 March 2022, this valuation is unchanged from March 2021.

Restricted funds are held in accordance with the accounting policy which is set out on page 26.

Structure, governance and management

a. CONSTITUTION

The charity and the group is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 1 May 1980.

Prospect Hospice Limited (the charity) is a registered charity, and is constituted as a charitable company limited by guarantee and does not have a share capital.

The charity has a wholly owned trading subsidiary, Prospect Hospice Trading Limited, which is a retailer of new goods and operates the café within the Hospice. The subsidiary company produced a trading profit of £15k in the year.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the charity and the group is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

The charity's board of trustees regularly reviews the mix of its skills, and if any needs are identified then applicants with relevant skills and backgrounds who are eligible to meet the required time commitment are sought and recruited. The board also anticipate forthcoming gaps in its skills mix that will arise through the rotation and retirement of longstanding trustees.

The board of trustees constitutes a broad cross section of people with healthcare and business skills and experience, reflecting the work of the Hospice.

The board interviews applicants for trustee vacancies, and their suitability is evaluated against a pre-agreed set of criteria, set by a nominations committee of existing trustees.

On appointment, trustees are invited to attend induction training alongside new recruits to the hospice's staff and volunteer group.

All trustees are offered a tailored induction programme to aid with familiarisation of the charity and their responsibilities as trustees.

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c. PAY POLICY FOR STAFF

Following approval by the board of trustees a new pay structure for all staff was implemented in April 2021. Employees are paid at market rate within a tolerance of plus/minus 10% of the median quartile. This tolerance creates a competitive salary range.

The grade and scope of job roles is determined through a job evaluation process and the application of Prospect Hospice's in-house job evaluation procedures.

Any organisation wide and exceptional pay awards are granted at the discretion of the trustees.

Prospect Hospice will monitor its pay practice to ensure that it complies with equal pay for work of equal value legislation and the best principles of equity. All remuneration activity will be monitored to ensure that no gender or other bias arises in practice and that a fair approach on remuneration is achieved across the organisation.

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

Responsibility for the charity's overall strategy, the monitoring of its progress, the management of risk and legal compliance rests with the board of trustees, which meets every 3 months.

In addition, committees reporting to the full board on Patient Services, Finance & Income Generation, Audit & Risk, and People & Resources also meet on a regular basis.

The board of trustees makes all corporate policy, strategy and budget decisions, with day-to-day responsibility for the running of the organisation delegated by the board to the Chief Executive.

e. RISK MANAGEMENT

The trustees have assessed the major risks to which the charity and the group is exposed, in particular those related to the operations and finances of the charity and the group, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Under the risk management policy, potential risks to the organisation are identified and reviewed regularly.

Clinical governance is given significant attention to ensure that the Hospice complies with all relevant legislation and best practice.

External consultants are engaged to provide increased support on risk management and health and safety matters as and when required.

The Audit Committee reviews all aspects of risk and reports to the board of trustees on a regular basis.

f. FUNDRAISING

The Charities Act (Protection and Social Investment) 2016 came into effect in November 2016. It states new requirements for annual statements about fundraising and these are covered below:

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The charity's approach to fundraising activity, and in particular whether a professional fundraiser or commercial participator was used:

Prospect Hospice's approach to fundraising is to ensure that any direct fundraising expenditure incurred will maximise a return on investment whilst maintaining excellent relationships with supporters, reflecting best practice within the sector and protecting the vulnerable.

During the year we contracted a professional canvassing agency who provided six of their employees for door to door canvassing for our hospice lottery. We did not employ any telephone marketing agencies.

Details of any voluntary fundraising schemes or standards, which the charity or anyone fundraising on its behalf has agreed to:

Prospect Hospice is a member of the Fundraising Regulator. We pay the voluntary levy and agree to maintain compliance to the regulations.

We have a supporter promise on our website.

Whether and how the charity monitored fundraising activities carried out on its behalf:

Fundraising activities are monitored by the Finance and Income Generation Committee made up of trustees which reports to the board of trustees. Any contracts relating to Professional Fundraisers are scrutinised by the Director in charge of fundraising and reported by exception where necessary to the Committee.

How many complaints the charity or anyone acting on its behalf has received about fundraising for the charity:

We have a complaints procedure and all complaints are recorded. In 2021/22 we received 10 complaints out of a total of 22,393 donations made by individuals and organisations that supported Prospect Hospice during the year.

Complaints are monitored by the Executive Team and the Finance and Income Generation Committee to identify trends, address complaints and ensure best practice is followed.

What the charity has done to protect vulnerable people and others from unreasonable intrusion on a person's privacy, unreasonable persistent approaches or undue pressure to give. In the course of, or in connection with fundraising for the charity:

Prospect Hospice has a clear Fundraising and Vulnerable Adults Policy, which our fundraisers adhere to. As part of this procedure, anyone identified as a vulnerable person will immediately be marked as not contactable on our database. We will only work with Professional Fundraisers who have their own clear Vulnerable Adults policy and who train their operators in how to deal with vulnerable adults. All complaints are reviewed and addressed in line with our complaints procedure.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2022

What the charity has done to ensure its fundraising activities comply with new Data Protection legislation (GDPR):

Prospect Hospice Income Generation team set up a working party to ensure the fundraising database and all data policies followed within the fundraising department are fully compliant with the new European GDPR regulations, introduced in May 2018. This includes robust measures on how we contact supporters and how a supporter can change the way they hear from us.

Plans for future periods

Care and support

We are delighted to have been successful in a NHS England bid to increase our single point of contact [SPoC] hours for a three-month period (from end of March 2022 to June 2022) to enable referrals and queries to be managed from 8am to 9pm (it was previously 9am to 5pm service).

Our day therapy unit is seeing patients on site again with a number of group activities resuming for patients, their families and carers. We plan to offer a full range of sessions and activities in the future, and will consult people about what services they need from us.

Achieving good quality outcomes for people who are homeless with an end of life care need can be challenging. Therefore we have begun to build on working relationships with Swindon Borough Council's housing and their homelessness teams to establish a greater understanding of the issues faced by individuals and service providers and to provide greater access to our services, both within the hospice and in the community.

We recognise the importance of collaboration, something that will be in greater focus than before with the impending ICS structures. Therefore we will continue to extend collaborative working with other charities and partners in health and social care, sharing expertise and approaches to care to ensure that people with an end of life care need will receive the best possible care during the most difficult time in their lives.

We understand the vital role of education and training, not only for our staff and volunteers but also for other health care professionals where end of life care is not their area of expertise. We plan to recruit a lead education role to shape our education offer both internally and externally and to enable Prospect Hospice to share our specialist knowledge and skills to improve end of life care and support outcomes for people in Swindon and north east Wiltshire.

Financial stability

The continued financial sustainability of the hospice remains the highest priority for the coming year. Our key financial objective for 2022/23 is to grow our income back to pre-pandemic levels, identify and capitalise on opportunities and ultimately deliver outstanding care to all those in Swindon and north east Wiltshire who need it, and achieve a balanced budget.

Our expectation is to deliver between £0.6m to £1.0m of additional fundraising income in 22/23 through utilising the expertise and capacity provided by Compton; the firm's key areas of activity being trusts, philanthropic and corporate income streams.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2022

We are also aiming for retail income to return to the income levels of 2019/20. To support this we plan to increase income through a number of routes, including opening new shops, increasing online income, opening pop-up shops and increasing sales of specialist items and higher value items, such as furniture.

Given that the level of uncertainty is arising mainly from macro-economic factors outside of the control of the hospice, including the current cost inflation pressures, we expect the 22/23 financial year to be equally as challenging. Despite all of the financial challenges and constraints we face our staff continue to deliver and enhance services to benefit our patients.

Developing Prospect Hospice's new strategy

In 2021/22 we begun talking to our staff about what was important to them, seeking their views on the potential priorities for the organisation for the next three years. We used their ideas, combined with feedback from our patients and those important to them, our learnings from the pandemic and the evidence that most people wish to die at home, close to family and friends, to shape our initial draft strategy.

Key areas already highlighted as important to the organisation include:

- Putting patients and our community at the heart of everything we do;
- Ensuring we deliver a sustainable charitable business model;
- Using our specialist knowledge and expertise to improve end of life care for all who need it; and
- Making Prospect Hospice a great place to work for our staff and our volunteers.

We will continue to develop our strategy over the coming months, checking back in with staff to ensure the new strategy is fit for purpose. We will then seek the views and opinion of our partners and external stakeholders before finalising and publishing our new three year strategy later in 2022.

Chair's closing statement

Prospect Hospice has emerged from two of the most challenging years in our history with an outstanding rating from the Care Quality Commission. With changes to our operations, we have also made inroads to our in-year deficit, and the hospice is now in a much stronger position to face the future.

However, the year ahead has new challenges at both a global and local level that mean we must remain vigilant to ensure a sustainable future for the charity. Whilst retail and fundraising income is showing signs of recovery, the trustees are focussed on ensuring our finances will balance in the year ahead.

We continue to consider all reasonable measures to manage our costs, while ensuring our services retain the highest standards. We have cooperated with other similar local providers to ensure a single voice for end of life care for the area; we will continue to work with these providers in the future to bring balanced and sustainable care in the years ahead.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with 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).

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2022

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

Disclosure of information to auditor

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- So far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- That trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable group's auditor in connection with preparing their report and to establish that the charitable group's auditors are aware of that information.

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

Auditors

The auditors, Godfrey Wilson, have indicated their willingness to continue in office. The trustees will propose a motion re-appointing the auditors at the Annual General Meeting.

This report, including the strategic report, was approved by the board of trustees on 23 June 2022 and signed on their behalf by:

Dr Kevin Howard

Kevin Howard - Chair

Independent auditors' report

To the members of

Prospect Hospice Limited

Opinion

We have audited the financial statements of Prospect Hospice Limited (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, consolidated and parent balance sheets, consolidated statement of cash flows and the related 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 the 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 and parent charity's affairs as at 31 March 2022 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.

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 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 group and parent charity financial statements and our auditor's report thereon. Our opinion on the group and parent charity 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.

Independent auditors' report

To the members of

Prospect Hospice Limited

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us;
- the parent charity financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

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.

Our 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.

Independent auditors' report

To the members of

Prospect Hospice Limited

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

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Independent auditors' report

To the members of

Prospect Hospice Limited

Use of our report

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

Alison Godfrey

Date: 27 June 2022

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Prospect Hospice Limited

Consolidated statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 March 2022

	Note	Restricted £000	Unrestricted £000	2022 Total £000	2021 Total £000
Income from:					
Donations and legacies	3	93	2,165	2,258	1,363
Charitable activities	4	2,892	34	2,926	4,642
Other trading activities	5	-	2,043	2,043	1,103
Investments	6	-	1	1	17
Total income		<u>2,985</u>	<u>4,243</u>	<u>7,228</u>	<u>7,125</u>
Expenditure on:					
Raising funds:					
Voluntary income		-	461	461	560
Fundraising trading		-	1,970	1,970	1,903
Investment management		-	25	25	14
Charitable activities		<u>3,204</u>	<u>2,044</u>	<u>5,248</u>	<u>4,926</u>
Total expenditure	8	<u>3,204</u>	<u>4,500</u>	<u>7,704</u>	<u>7,403</u>
Net expenditure before investment gains		(219)	(257)	(476)	(278)
Net gains on investments		-	338	338	651
Net movement in funds	9	(219)	81	(138)	373
Reconciliation of funds:					
Total funds brought forward		<u>1,505</u>	<u>5,782</u>	<u>7,287</u>	<u>6,914</u>
Total funds carried forward		<u><u>1,286</u></u>	<u><u>5,863</u></u>	<u><u>7,149</u></u>	<u><u>7,287</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 25 to the accounts.

Prospect Hospice Limited

Consolidated balance sheets

As at 31 March 2022

	Note	The group 2022 £000	The group 2021 £000	The charity 2022 £000	The charity 2021 £000
Fixed assets					
Tangible assets	12	2,389	2,688	2,389	2,688
Investment property	13	452	452	452	452
Investments	14, 15, 16	3,903	3,565	3,903	3,565
		<u>6,744</u>	<u>6,705</u>	<u>6,744</u>	<u>6,705</u>
Current assets					
Stocks	17	44	54	40	54
Debtors	18	1,500	861	1,513	942
Cash at bank and in hand		1,476	670	1,462	587
		<u>3,020</u>	<u>1,585</u>	<u>3,015</u>	<u>1,583</u>
Liabilities					
Creditors: amounts falling due within 1 year	19	1,340	1,003	1,335	1,001
Net current assets		<u>1,680</u>	<u>582</u>	<u>1,680</u>	<u>582</u>
Creditors: amounts falling due after 1 year	20	1,275	-	1,275	-
Net assets	24	<u>7,149</u>	<u>7,287</u>	<u>7,149</u>	<u>7,287</u>
Funds					
Restricted funds	25	1,286	1,505	1,286	1,505
Unrestricted funds:					
General funds		5,863	5,782	5,863	5,782
Total charity funds		<u>7,149</u>	<u>7,287</u>	<u>7,149</u>	<u>7,287</u>

Approved by the trustees on 23 June 2022 and signed on their behalf by

Dr Kevin Howard

Sheila Bryant

Kevin Howard - Chair

Sheila Bryant - Trustee

Prospect Hospice Limited

Consolidated statement of cash flows

For the year ended 31 March 2022

	2022	2021
	£000	£000
Net cash provided by / (used in) operating activities		
Net movement in funds	(138)	373
<i>Adjustments for:</i>		
Depreciation charges	168	206
(Gains) / losses on investments	(338)	(651)
Dividends, interest and rents from investments	(1)	(17)
Loss / (profit) on the sale of fixed assets	131	-
Decrease / (increase) in stock	10	17
Decrease / (increase) in debtors	(639)	96
Increase / (decrease) in creditors	<u>112</u>	<u>(501)</u>
Net cash provided by / (used in) operating activities	<u>(695)</u>	<u>(477)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	1	17
Purchase of tangible fixed assets	-	(16)
(Increase) / decrease in cash held in investment portfolio	<u>-</u>	<u>450</u>
Net cash provided by / (used in) investing activities	<u>1</u>	<u>451</u>
Cash flows from financing activities:		
Cash inflows from new borrowing	<u>1,500</u>	<u>-</u>
Net cash provided in / (used in) financing activities	<u>1,500</u>	<u>-</u>
Increase / (decrease) in cash and cash equivalents in the year	806	(26)
Cash and cash equivalents at the beginning of the year	<u>670</u>	<u>696</u>
Cash and cash equivalents at the end of the year	<u><u>1,476</u></u>	<u><u>670</u></u>

Analysis of net changes in debt are given in note 22.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Prospect Hospice Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The charity's functional and presentational currency is the pound sterling and the accounts are presented in round thousands.

b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-owned (controlled) subsidiary on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. The trustees have taken into account the continued financial risk presented as a direct result of the prolonged effect the Covid-19 pandemic has had on income generation, and are satisfied that the financial recovery plan in place for 22/23 together with contingency plans and the loan finance of £1.5m secured in July 2021 are sufficient to mitigate this risk. Further detail is provided in the trustees' annual report.

d) Income

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

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies (continued)

d) Income (continued)

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of future events or lottery draws is deferred until the event takes place or the lottery draw is run and criteria for income recognition are met. Income from contracts received in advance of service delivery is deferred to the period to which it relates.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Donated goods for resale are recognised as income at their fair value upon receipt, which is deemed to be the expected proceeds from sale less the expected costs of sale. Any difference in the resale value is charged or credited to the statement of financial activities during the year.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

g) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. 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. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. The net book value of buildings, and significant improvements to buildings, which are funded by restricted monies are treated as restricted.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies (continued)

h) Expenditure and irrecoverable VAT

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

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

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

Costs of charitable activities include those items that can be directly attributed to the activities and include a proportion of support costs.

In implementing the hospice strategic plan, where alongside continued direct delivery of high quality patient services, we seek to positively influence the care provided by other organisations and individuals, we need to understand where we are allocating and spending our budget against these aims. The hospice has continued to set out the allocation of costs by strategic aim, accounting for time taken by staff in direct care roles on education and influencing.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional, statutory and regulatory requirements.

i) Allocation of support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources. Facilities costs including reception and housekeeping are allocated by space occupied and catering costs are allocated based on meals produced. All other costs are allocated based on headcount.

j) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Hospice buildings	straight line over the remaining useful life to 2045
Leasehold improvements	10 years' straight line for hospice improvements, or 3 years' straight line for shop improvements
Equipment for care and support	10 years' straight line, or 3 years depending on nature of equipment
Other equipment and vehicles	10 years' straight line, or 3 years depending on nature of equipment

Items of equipment are capitalised where the purchase price exceeds £1,000.

k) Investment property

Investment land is included in the balance sheet at its fair value. No depreciation is charged. Gains or losses on investment land are shown on the statement of financial activities (SOFA).

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies (continued)

l) Investments

Investments held at the year end are valued at the current market value at that date. Investment income from dividends is included in incoming resources while realised and unrealised losses and gains on investments are shown separately on the statement of financial activities (SOFA). Realised gains and losses are calculated on investment disposals during the year as the difference between the opening market value and the proceeds received on sale. Unrealised gains and losses are calculated on investment holdings at the year end as the difference between the closing market value and the opening market value or purchase value during the year.

m) Stock

Stock is included at the lower of cost or net realisable value after making due allowance for obsolete and slow-moving stocks. Donated items of stock are recognised at fair value, derived from an estimation based on holding 2 weeks' worth of non-giftaided sales.

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors

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

q) 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.

r) Pension costs

The charity participates in an NHS defined benefit scheme, and a Royal London (formerly Scottish Life) defined contribution scheme. Only ex NHS employees are eligible to join the NHS scheme. There are no further liabilities other than that already recognised in the SOFA.

s) Accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies (continued)

s) Accounting estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation or uncertainty that have a significant effect on the amounts recognised in the financial statements include depreciation - see note 1(j) above - accrued legacy income, which is included within debtors - see note 1(d) above - and the Akers land investment property valuation - see note 1(k) above.

2. Prior period comparatives

	Restricted	Unrestricted	2021
	£000	£000	Total
			£000
Income from:			
Donations and legacies	114	1,249	1,363
Charitable activities	3,732	910	4,642
Other trading activities	-	1,103	1,103
Investments	-	17	17
	<hr/>	<hr/>	<hr/>
Total income	3,846	3,279	7,125
Expenditure on:			
Raising funds:			
Voluntary income	-	560	560
Fundraising trading	-	1,903	1,903
Investment management	-	14	14
Charitable activities	3,986	940	4,926
	<hr/>	<hr/>	<hr/>
Total expenditure	3,986	3,417	7,403
Net expenditure before investment gains	(140)	(138)	(278)
Net gains on investments	-	651	651
	<hr/>	<hr/>	<hr/>
Net movement in funds	(140)	513	373
	<hr/>	<hr/>	<hr/>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

3. Income from donations and legacies

	Restricted £000	Unrestricted £000	2022 Total £000
Donations	-	470	470
Prospect fundraising events	35	12	47
Community fundraising	-	394	394
Boxes income	-	46	46
Legacies	-	903	903
Trusts income	58	78	136
In memorium	-	262	262
Total donations and legacies	93	2,165	2,258

Prior period comparative

	Restricted £000	Unrestricted £000	2021 Total £000
Donations	-	555	555
Prospect fundraising events	46	7	53
Community fundraising	-	213	213
Boxes income	-	32	32
Legacies	-	166	166
Trusts income	68	70	138
In memorium	-	206	206
Total donations and legacies	114	1,249	1,363

4. Income from charitable activities

	Restricted £000	Unrestricted £000	2022 Total £000
COVID funding	210	27	237
Swindon CCG	1,876	-	1,876
Wiltshire CCG	324	-	324
Great Western Hospitals NHS Foundations Trust	206	-	206
Health England (GPST1 doctors funding)	155	-	155
BSW Alliance	98	-	98
Education and training income	-	1	1
Other	23	6	29
Total charitable activities	2,892	34	2,926

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

4. Income from charitable activities (continued)

Prior period comparative

	Restricted £000	Unrestricted £000	2021 Total £000
COVID funding	1,650	895	2,545
Swindon CCG	1,254	-	1,254
Wiltshire CCG	305	-	305
Great Western Hospitals NHS Foundations Trust	323	-	323
Health England (GPST1 doctors funding)	184	-	184
Swindon Borough Council	16	-	16
Education and training income	-	4	4
Other	-	11	11
Total charitable activities	3,732	910	4,642

5. Income from other trading activities

	Restricted £000	Unrestricted £000	2022 Total £000	2021 Total £000
Shops and retail	-	1,541	1,541	596
Lottery income	-	488	488	498
Catering income	-	14	14	9
Total other trading activities	-	2,043	2,043	1,103

All other trading activity income was unrestricted in the prior year.

6. Investment income

	Restricted £000	Unrestricted £000	2022 Total £000	2021 Total £000
Income from investment portfolio	-	-	-	17
Income from cash held at UK banks	-	1	1	-
Total investment income	-	1	1	17

All investment income was unrestricted in the prior year.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

7. Government grants

The charitable company receives funding from the government in the form of a standard NHS contract (short form) from the local Clinical Commissioning Group (Swindon and Wiltshire). Covid funding was also received from NHS England via Hospice UK. This emergency grant funding was for the purpose of making available bed capacity (and in phase 2 utilisation) and providing community support for people with complex needs. Details of the amounts received are in note 4 to the accounts. There are no unfulfilled conditions or contingencies attaching to these funds.

8. Expenditure

	Direct costs £000	Support costs £000	2022 Total £000
Raising funds			
Costs of generating voluntary income	<u>306</u>	<u>155</u>	<u>461</u>
Fundraising trading			
Costs of goods sold in shops and café	18	-	18
Lottery prizes and overheads	214	2	216
Retail costs	<u>1,200</u>	<u>536</u>	<u>1,736</u>
	<u>1,432</u>	<u>538</u>	<u>1,970</u>
Investment management			
Investment management fees	<u>25</u>	<u>-</u>	<u>25</u>
Charitable activities			
In-patient unit	1,644	855	2,499
Community care	947	558	1,505
Influencing and education	674	454	1,128
Governance costs	<u>116</u>	<u>-</u>	<u>116</u>
	<u>3,381</u>	<u>1,867</u>	<u>5,248</u>
Total expenditure	<u><u>5,144</u></u>	<u><u>2,560</u></u>	<u><u>7,704</u></u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

8. Expenditure (continued)

Prior year comparative

	Direct costs £000	Support costs £000	2021 Total £000
Raising funds			
Costs of generating voluntary income	<u>343</u>	<u>217</u>	<u>560</u>
Fundraising trading			
Costs of goods sold in shops and café	39	-	39
Lottery prizes and overheads	114	11	125
Retail costs	<u>1,180</u>	<u>559</u>	<u>1,739</u>
	<u>1,333</u>	<u>570</u>	<u>1,903</u>
Investment management			
Investment management fees	<u>14</u>	<u>-</u>	<u>14</u>
Charitable activities			
In-patient unit	1,499	550	2,049
Community care	1,191	339	1,530
Care at Great Western Hospital	96	39	135
Influencing and education	777	319	1,096
Governance costs	<u>116</u>	<u>-</u>	<u>116</u>
	<u>3,679</u>	<u>1,247</u>	<u>4,926</u>
Total expenditure	<u>5,369</u>	<u>2,034</u>	<u>7,403</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

9. Net movement in funds

This is stated after charging:

	2022	2021
	£000	£000
Depreciation	168	206
Operating lease payments	248	309
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit (including VAT)	<u>11</u>	<u>12</u>

10. Staff costs and numbers

Staff costs were as follows:

	2022	2021
	£000	£000
Salaries and wages	4,843	4,864
Social security costs	395	412
Pension costs	<u>316</u>	<u>335</u>
	<u>5,554</u>	<u>5,611</u>

Included within salaries and wages above are termination and redundancy payments of £16k (2021: £14k).

	2022	2021
	No.	No.
Average number of employees	<u>196</u>	<u>185</u>

Full time equivalents:

	2022	2021
	No.	No.
Medical	5	6
In-patient nurses	24	17
Community care	33	29
Care at Great Western Hospital	-	3
Influencing and education	-	1
Catering and housekeeping	3	6
Income generation	40	49
Facilities and reception	2	2
Admin and support	22	21
Management	<u>8</u>	<u>7</u>
	<u>137</u>	<u>141</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

10. Staff costs and numbers (continued)

During the year, bank staff employed by the hospice are used to cover short term absences, vacancies and training. When bank staff are not available external agency staff are then used. Total payments for bank staff made through the payroll in the year was £310k (2021: £351k).

At 31 March 2022 there were 36 members of the NHS pension scheme (2021: 31), and 124 members of the Royal London Group Personal pension plan (2021: 131).

The number of higher paid employees was:

	2022	2021
	No.	No.
£70,001 - £80,000	2	2
£80,001 - £90,000	2	2
£110,001 - £120,000	1	1
£220,001 - £230,000	1	1
	<u>6</u>	<u>6</u>

The total emoluments inclusive of all employer related costs and termination, redundancy and other restructuring fixed term contractual payments paid to key management personnel (6.0 FTE) for the year was £700k (2021: 6.0 FTE £700k), of which, pension contributions amounted to £30k (2021: £30k).

11. Taxation

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

12. Tangible fixed assets: group and charity

	Hospice land and buildings £000	Leasehold improvements £000	Equipment for care and support £000	Other equipment and vehicles £000	Total £000
Cost					
At 1 April 2021	4,248	217	428	981	5,874
Disposals	(175)	-	-	(3)	(178)
At 31 March 2022	<u>4,073</u>	<u>217</u>	<u>428</u>	<u>978</u>	<u>5,696</u>
Depreciation					
At 1 April 2021	1,695	189	396	906	3,186
Charge for the year	107	4	27	30	168
Disposals	(47)	-	-	-	(47)
At 31 March 2022	<u>1,755</u>	<u>193</u>	<u>423</u>	<u>936</u>	<u>3,307</u>
Net book value					
At 31 March 2022	<u>2,318</u>	<u>24</u>	<u>5</u>	<u>42</u>	<u>2,389</u>
At 31 March 2021	<u>2,553</u>	<u>28</u>	<u>32</u>	<u>75</u>	<u>2,688</u>

Included in hospice land and buildings is freehold land at a cost of £307k which is not depreciated.

13. Investment property: group and charity

	2022 £000	2021 £000
Market value at 1 April 2021	452	452
Unrealised gain on revaluation	-	-
Market value at 31 March 2022	<u>452</u>	<u>452</u>
Historic cost	<u>153</u>	<u>153</u>

The investment land shown relates to a share of land that was given in a legacy. The ownership of the land has been transferred into the names of the three beneficiaries of which Prospect Hospice is one. The latest valuation of the land was carried out on 31 March 2022 by Chesters Commercial. This concluded there was no material change in valuation on the proportion of the developable land. The remaining proportion of land is held at arable value. The trustees consider this a fair estimate of land value as at 31 March 2022.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

14. Investments: group and charity

	2022	2021		
	£000	£000		
Market value at 1 April 2021	3,565	3,364		
Realised and unrealised gains / (losses)	338	651		
Cash movement	<u>-</u>	<u>(450)</u>		
Market value at 31 March 2022	<u>3,903</u>	<u>3,565</u>		
Historic cost	<u>2,464</u>	<u>2,464</u>		
Group investments comprise:				
	UK	Overseas	2022 Total	2021 Total
	£000	£000	£000	£000
Listed investments	<u>3,903</u>	<u>-</u>	<u>3,903</u>	<u>3,565</u>

All listed investments are held in Vanguard 60% Equity fund and CCLA Common Investment Fund.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

15. Subsidiary undertakings

Prospect Hospice Trading Limited

Prospect Hospice Trading Limited is a wholly owned subsidiary of Prospect Hospice Limited with an issued share capital of two ordinary shares of £1 each. It trades in the purchase and sale of 'new goods' within our retail operations and operates a cafe within the hospice. This company makes a donation to the charity of its taxable profits under the gift aid scheme.

	2022	2021
	£000	£000
Turnover	49	39
Cost of sales	<u>(16)</u>	<u>(38)</u>
Gross profit	33	1
Administrative expenses	<u>(18)</u>	<u>(2)</u>
Profit / (loss) on ordinary activities before taxation	15	(1)
Tax on profit / (loss) on ordinary activities	<u>-</u>	<u>-</u>
Profit for the financial year after taxation	<u>15</u>	<u>(1)</u>
<i>Changes in equity</i>		
Total retained losses brought forward	(1)	-
Total comprehensive income for the year	15	(1)
Gift aid distribution to parent charity	<u>(14)</u>	<u>-</u>
Total retained profit / (losses) carried forward	<u>-</u>	<u>(1)</u>

The aggregate of the assets, liabilities and funds was:

	2022	2021
	£000	£000
Assets	22	85
Liabilities	<u>(22)</u>	<u>(86)</u>
Funds	<u>-</u>	<u>(1)</u>

16. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2022	2021
	£000	£000
Gross income	7,112	7,087
Results for the year	<u>235</u>	<u>373</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

17. Stock

	The group		The charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Goods for resale	<u>44</u>	<u>54</u>	<u>40</u>	<u>54</u>

18. Debtors

	The group		The charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Trade debtors	923	350	923	350
Amounts owed by group undertakings	-	-	17	84
Tax recoverable	62	45	58	42
Prepayments and accrued income	<u>515</u>	<u>466</u>	<u>515</u>	<u>466</u>
	<u>1,500</u>	<u>861</u>	<u>1,513</u>	<u>942</u>

19. Creditors: amounts due within 1 year

	The group		The charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Trade creditors	119	1	119	1
Accruals	375	302	370	300
Other taxation and social security	105	103	105	103
Other creditors	20	19	20	19
Deferred income (see note 21)	496	578	496	578
Loans	<u>225</u>	<u>-</u>	<u>225</u>	<u>-</u>
	<u>1,340</u>	<u>1,003</u>	<u>1,335</u>	<u>1,001</u>

20. Creditors: amounts due after 1 year

	The group		The charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Loans	<u>1,275</u>	<u>-</u>	<u>1,275</u>	<u>-</u>

In June 2021, Prospect Hospice received £1.5m in loan financing from HSBC under the CBILS scheme (Coronavirus Business Interruption Loan Scheme). The term is 6 years, but the loan is repaid over 5 years as there are no repayments in the first 12 months. The interest on the loan from month 13 is at 3.99%. The bank has a fixed and floating charge over the hospice assets. There is a legal charge over the value of the hospice land based on the historical cost of the land as at the balance sheet date 31 March 2021.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

21. Deferred income

	The group		The charity	
	2022 £000	2021 £000	2022 £000	2021 £000
At 1 April 2021	578	820	578	820
Deferred during the year	496	578	496	578
Released during the year	<u>(578)</u>	<u>(820)</u>	<u>(578)</u>	<u>(820)</u>
At 31 March 2022	<u>496</u>	<u>578</u>	<u>496</u>	<u>578</u>

Deferred income relates to contract income received in advance of provision of services, fundraising income collected in advance of events and lottery income collected in advance of the draw.

22. Analysis of changes in net debt

	At 1 April	Cash flows	New loans	At 31 March
	2021 £000			2022 £000
Cash	<u>587</u>	<u>(611)</u>	<u>1,500</u>	<u>1,476</u>
	587	(611)	1,500	1,476
Loans falling due within 1 year	-	-	(225)	(225)
Loans falling due after 1 year	<u>-</u>	<u>-</u>	<u>(1,275)</u>	<u>(1,275)</u>
Total	<u>587</u>	<u>(611)</u>	<u>-</u>	<u>(24)</u>

23. Financial instruments measured at fair value

	The group		The charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Financial assets measured at fair value	<u>4,355</u>	<u>4,017</u>	<u>4,355</u>	<u>4,017</u>

Financial assets held at fair value comprise listed investments and investment property.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

24. Analysis of group net assets between funds

	Restricted funds £000	General funds £000	Total funds £000
Tangible fixed assets	1,206	1,183	2,389
Investment property	-	452	452
Fixed asset investments	-	3,903	3,903
Current assets	80	2,940	3,020
Current liabilities	-	(1,340)	(1,340)
Non current liabilities	-	(1,275)	(1,275)
Net assets at 31 March 2022	<u>1,286</u>	<u>5,863</u>	<u>7,149</u>
Prior year comparative			
	Restricted funds £000	General funds £000	Total funds £000
Tangible fixed assets	1,416	1,272	2,688
Investment property	-	452	452
Fixed asset investments	-	3,565	3,565
Current assets	89	1,496	1,585
Current liabilities	-	(1,003)	(1,003)
Net assets at 31 March 2021	<u>1,505</u>	<u>5,782</u>	<u>7,287</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

25. Movements in funds

	At 1 April 2021 £000	Income £000	Expenditure £000	Gains / (losses) £000	At 31 March 2022 £000
Restricted funds					
Building funds	1,358	-	(158)	-	1,200
Costs of equipment	58	-	(52)	-	6
Running costs	89	2,985	(2,994)	-	80
Total restricted funds	1,505	2,985	(3,204)	-	1,286
Unrestricted funds					
General funds	5,782	4,243	(4,500)	338	5,863
Total unrestricted funds	5,782	4,243	(4,500)	338	5,863
Total funds	7,287	7,228	(7,704)	338	7,149

Restricted funds

Building funds

This relates to cash received from the capital appeal to build the hospice in Wroughton and cash received from the Department of Health in 2007, 2010 and 2014 for building works at the hospice. The building costs related to this income have been incurred in previous years. The expenditure cost for this year is the depreciation of the related assets.

Other restricted funds relate to grants, donations and legacies which are received for specific purposes. These are held as restricted funds until spent, most of these funds are utilised in the year of receipt.

General funds

It is the policy of Prospect Hospice to aim to keep up to 6 months of future operating costs as free reserves and as an absolute minimum to keep a level of reserves sufficient to meet its liabilities in the event of a winding up of the organisation. If the level of free reserves fall below the policy level the Trustees will review all reserves and their purpose and may choose to transfer previously designated reserves into free reserves to enable them to utilise where most needed for the provision of the hospice's charitable aims. The year end figure, excluding the balance held in fixed assets, represents approximately 7 months' worth of future operating expenditure.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

25. Movements in funds (continued)

Prior year comparative

	At 1 April 2020 £000	Income £000	Expenditure £000	Gains / (losses) £000	At 31 March 2021 £000
Restricted funds					
Building funds	1,464	-	(106)	-	1,358
Costs of equipment	94	-	(36)	-	58
Running costs	87	3,846	(3,844)	-	89
Total restricted funds	1,645	3,846	(3,986)	-	1,505
Unrestricted funds					
General funds	5,269	3,279	(3,417)	651	5,782
Total unrestricted funds	5,269	3,279	(3,417)	651	5,782
Total funds	6,914	7,125	(7,403)	651	7,287

26. Pension commitments

The charity has active members in an NHS defined benefit scheme and a Royal London (formerly Scottish Life Group) Personal Pension Plan (RL). Only ex NHS employees are eligible to join the NHS scheme. All other employees are entitled to join the RL plan. The pension charge represents contributions payable by the charity to these funds.

RL Scheme

The assets of the RL scheme are held separately from those of the charity in a separately administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £170k (2021: £179k).

NHS Scheme

The NHS scheme is a multi-employer defined benefit pension scheme. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reliable basis, the scheme is treated by the charity as if it were a defined benefit contribution scheme, in accordance with FRS 102. The pension cost charge represents contributions payable by the charity to the fund and amounted to £137k (2021: £146k).

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Notes to the financial statements

For the year ended 31 March 2022

27. Operating lease commitments

The group and charity had operating leases at the year end with total future minimum lease payments as follows:

	The group		The charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Amount falling due:				
Within 1 year	251	196	251	196
Within 1 - 5 years	635	341	635	341
Over 5 years	128	41	128	41
	<u>1,014</u>	<u>578</u>	<u>1,014</u>	<u>578</u>

28. Contingent assets

There are some legacies which have been notified to the charity at 31 March 2022 for which the amount receivable cannot be ascertained. These financial statements include payments received on account but not any estimates for future amounts receivable. Indications are that the estimated value of these potential legacies is in the region of £420k (2021: £760k).

29. Related party transactions

No members of the board of trustees received any remuneration for their services or received any reimbursement of expenses (2021: nil).

Other than the transactions with its subsidiary, there were no other related party transactions during the year.