

# PRINCESS ALICE HOSPICE

England & Wales · Charity number 1010930

## Details

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Other names	THE ELMBRIDGE HOSPICE CHARITABLE TRUST LTD, THE PRINCESS ALICE HOSPICE TRUST LTD, THE PRINCESS ALICE HOSPICE
Status	Registered
Legal form	Charitable company
Company number	<a href="#">01599796</a>
Registered	1992-05-15
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Website	<a href="http://www.pah.org.uk">www.pah.org.uk</a>

## Activities

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**Objects:** 1) TO PROVIDE WITHIN THE COUNTY OF SURREY AND ADJACENT AREAS PALLIATIVE CARE, ADVICE, SUPPORT AND KNOWLEDGE TO (I) PATIENTS WITH LIFE-LIMITING ILLNESSES, (II) THEIR FAMILIES AND FRIENDS AND (III) OTHER HEALTH AND SOCIAL CARE PROFESSIONALS INVOLVED IN THEIR CARE; 2) TO PROMOTE, FOSTER AND ADVANCE, WITHIN THE UK AND INTERNATIONALLY, THE PROVISION OF PALLIATIVE CARE, IN SUCH WAYS AS THE CHARITY SHALL FROM TIME TO TIME THINK FIT, INCLUDING THROUGH EDUCATION, PUBLICITY, RESEARCH AND TRAINING; AND 3) TO PROMOTE, FOSTER AND ADVANCE A PROFESSIONAL APPROACH TO THE MANAGEMENT OF ORGANISATIONS CONCERNED WITH CARE FOR PEOPLE WITH PROGRESSIVE LIFE-LIMITING ILLNESSES

**Activities:** As specialists in end of life care, our primary objective is the care and support of our patients, their families and their friends. This takes place in both our extensive community and within our purpose built hospice. Education and research are important secondary objectives in our work, and like our patient care they are supported through our fundraising activities and our high street shops.

## Classification

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- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

## Geography

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- **Area of benefit:** WORLDWIDE
- Hounslow
- Kingston Upon Thames
- Richmond Upon Thames
- Surrey

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-03-31	£19,097,555	£20,495,804	£18,826,741	434
2024-03-31	£19,062,659	£19,155,041	£20,224,556	411
2023-03-31	£17,647,529	£18,523,956	£20,129,905	408
2022-03-31	£18,447,333	£17,130,489	£21,178,345	306
2021-03-31	£19,077,361	£16,062,655	£19,696,743	428

## Trustees

Name	Role	Appointed
<b>Sally Harris Mrs</b>	Chair	2024-07-17
Darren Webb		2021-07-15
Despina Don-Wauchope		2016-09-01
Dr Ayesha Ali		2026-03-18
Dr Heather Patel		2018-12-03
Duncan Alasdair Burton		2024-10-09
Fidelma Carmel Hatton		2023-07-19
Guy Harry Aubertin		2026-03-18
Raja Ram		2023-07-19
Rosalind Gaye Irving		2023-03-29
Sanjay Gulati		2026-03-17
Scott McFarlane Thomson		2023-07-19
TIMOTHY MARK ARMSTRONG HEWENS		2020-11-25

**PRINCESS ALICE HOSPICE**

England & Wales - Charity number 1010930

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# Accounts

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# Princess Alice Hospice

## 2025 Trustees' Annual Report

YEAR ENDED 31 MARCH 2025

## Princess Alice Hospice makes a difference

It costs us £12.3 million each year to provide free, high-quality care.

Funding through NHS grants represents only 20% of our expenditure on charitable activities. The balance is raised through legacies, fundraising, dedicated shop units, investments and the support of our communities. It is only through the extraordinary generosity of our community and other supporters that we're able to do our work.

We are rated by the Care Quality Commission as providing outstanding palliative and end of life care in the community and within our Hospice. Our teams of employees, volunteers and supporters are positive, passionate and professional.

No one can prevent death, but we do everything we can to make dying as good as possible for patients, their families and friends. We believe that hospice care is for living.

### Our Vision

Our communities will have the best care and support before, during and after death.

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# Chair and CEO introduction

Nigel Seymour was appointed as Chief Executive of Princess Alice Hospice in March 2024, the month before this reporting year began. In October 2024, we bid a fond farewell to Professor Sean Hilton as our Chair of Trustees. We are immensely grateful to Sean for over 12 years of dedicated service and for providing such a smooth and comprehensive transition to Sally Harris, who became our new Chair of Trustees in October 2024.

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We are delighted to introduce the Trustees' Annual Report for 2024/25. This first year of working together has been truly invigorating and rewarding. As we mark the fortieth anniversary of our organisation, we have reflected on how Princess Alice Hospice started as a community response charity; assessed where we are now, and started to focus on what the Hospice will look like by 2030.

The idea of Princess Alice Hospice was first born in 1980. It came from our community in response to a need that was tangible and urgent – for local people to receive care and support at the end of their lives. The community backed this idea by stepping up to raise the funds to build the Hospice and their incredible support has sustained us ever since.

The ethos of being a community response charity, focused on patient need, is in our DNA. Since we began, our care has expanded significantly beyond the walls of the Hospice building and into our community. In the last year, we cared for around 2,500 people in the London Boroughs of Kingston and Richmond, and across a large part of Surrey.

At any one time up to 1,000 people are receiving our care and support. We cared for 326 patients on our In-Patient Unit and supported their families and those close to them; our Hospice at Home team completed over 10,800 patient contacts for 2,370 patients; and over 2,300 people including carers, received pre and post bereavement support.

We continue to operate in a wider environment full of uncertainties. At the time of writing, there are significant changes being implemented within both the NHS national and local systems and there are no firm details yet about the social care reform that has been announced. On a wider, societal level, we await further detail on the prospect of a change in the law around assisted dying.

Against the backdrop of an increasingly stretched health and social care system, we face an immense funding challenge. In March, we were grateful to receive a portion of the extra £100m additional government capital funding given to English hospices, but we continue to call for a sustainable and fairer funding model for all hospices. Just 20% of the £12.3m it costs each year to deliver our services free of charge comes from statutory NHS funding. For the rest, we rely on our amazing supporters, many of whom are also feeling the effects of rising living costs. We will continue to push for a fairer and longer-term funding package to help us reach more people, while working hard to drive value in everything we do.

We will continue to actively seek out opportunities to work in partnership with volunteers and local organisations to offer support to more people. Working alongside our communities means we can improve access and outcomes for everyone. As an educator, we're advancing end of life care standards too, improving quality of life for people from diagnosis to death and for those who are bereaved.

We're proud of all we've achieved so far, but we're not content to stand still. We are currently only able to provide care for 1 in 4 of the people who need it, leaving 75% of local people underserved. As the wider system sets out its innovative plans for reform, we will have a vital and impactful role to play within it. What won't change is our commitment to our original purpose of supporting people before, during and after death.

We would like to thank our outstanding Senior Leadership Team for leading on this year's work, and our Trustees for their wise guidance, curious questioning and fulsome support of ambitious thinking and delivery.

The exceptional dedication of our employees and volunteers continues to inspire us. We know we have asked a lot of them this year, in terms of wider strategic thinking and project delivery in addition to their 'business as usual' roles and responsibilities. It's the commitment from colleagues and our unfaltering supporters that gives us the confidence to forge ahead with our ambitious plans for Hospice 2030. The coming year will be one of innovation and transition, as we begin to put the plans into practice alongside the delivery of our high-quality, specialist palliative and end of life care to local people.



Sally Harris  
**Chair of Trustees**



Nigel Seymour  
**Chief Executive**

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***"I wanted to write to say how much my sister and I appreciated all the support and care you showed us and our dear Mum during her last few days with us. It made such a difference to us to be able to keep her at home and treat her pain/symptoms without having to go into hospital/a hospice. We met quite a few of the team over the past week and they all showed so much compassion and expertise that we felt reassured and comforted during a very distressing time. Please pass on our heartfelt thanks to all involved."***

Patient family quote

# Making our ambitions a reality in 2024/25

2024/25 was the final year of our current strategic period, in which we identified four main priorities to focus on:

- Developing and expanding our specialist care.
- Empowering people in our communities to better support and care for people at the end of life.
- Developing our education, research and learning programmes to improve quality and encourage and support innovation.
- Enhancing our collaborative influence in palliative and end of life care through leadership and advocacy.

Our strategy provides us with the ability to adapt and develop, ensuring we remain focused on our long-term vision, which is that everyone in our communities will have the best care and support before, during, and after death. This requires us to be innovative in our approach, seizing opportunities, whilst never losing sight of our person-centred approach to care.

During the year we continued with our programme of strategic change projects to create efficiencies and develop greater organisational capacity, capabilities and resilience. To support the approach the Board set up a Strategic Development Reserve of £1.4 million in 2021 to accelerate progress. 2024/25 represents the final year of this change programme with projects continuing to focus on key priorities for care, financial sustainability and improving the way we function. The following strategic change projects have been delivered during 2024/25:

- Focussed delivery on one or more underserved communities.
- Refinement of our service design and pathways PHASE 2 – implementation of the bereavement pathway.
- ECEPC development – implementation of the recommendations from the business scoping exercise.
- Talent acquisition – redesigning the employee and volunteer candidate journey (improving our operating model).
- Implementing a new Learning Management System (LMS) – supporting our aspiration for growth within education and delivering enhanced employee and volunteer training (improving our operating model).
- Customer experience service review – refining administration processes for our income generation teams (financial sustainability and improving our operating model).
- Refreshing our shop estate – targeted rolling programme of shop refreshes across the estate over and above our regular maintenance programme, to ensure they are great places to work, volunteer, shop and donate (financial sustainability).

In 2024/25 we were grateful to receive an allocation of the extra £100m government funding given to English Hospices. We used these funds to make capital investments to further improve the experience for our patients and their families by refurbishing parts of our building and buying new equipment.

It is widely acknowledged that hospices are operating in a period of continuous change, complexity and unprecedented uncertainty, especially in how they are funded. With a reliance on charitable income, and after another year of significant operational cost and salary inflation, the vulnerability of the hospice sector has been clear to see.

NHS grants represent 20% of our expenditure on our charitable activities. We raise the balance through fundraising. This includes legacies, revenue from our shops, investments and the generous support of our communities.

The objectives we set ourselves and the achievements we realised as an organisation during the year under report, are summarised below.

## PRIORITY 1

### Developing and expanding our specialist care

**We will provide and develop outstanding, personalised, specialist end of life care by adapting our models of care and broadening access to our community services, focusing on providing the right care, by the right people, at the right time and in the right place.**

Our clinical colleagues continued to deliver outstanding compassionate care and support throughout the year. 2,597 new patient referrals were received (+ 3% on 23/24) with 326 In-Patient Unit admissions (+4% on 23/24). The number of referrals to our Hospice at Home team was 2,370 (+3% on 23/24).

The NHS and our Social Care partners are facing unprecedented pressures. Our teams have gone 'over and above' frequently to support colleagues, to ensure patients and loved ones receive high quality care and support, irrespective of where they are being cared for. As well as delivering core services, clinical colleagues have continued to be focused on increasing the reach and responsiveness of our services.

Objectives for 2024/25 were to:

- Continue to embed our Patient Safety Incident Response Framework (PSIRF) plan into our approach to patient safety.
- Appoint a Patient Safety Partner (PSP) to improve our approach to patient safety and to give a bigger voice to patients and the community who use our services, so that service improvements are focused on what matters to them.
- Introduce an e-prescribing system to improve patient safety and enhance care coordination, patient experience and efficiency of communications.
- Deliver a sustainable medicines project to see if we can reduce drug wastage by changing our medication practices to be more sustainable.

Achievements include:

- Integrating the principles of PSIRF across the Hospice; we have embedded our Safety Action Forum, a regular meeting where action plans from incidents are reviewed and followed up.
- Active decision made to hold back on the recruitment of a Patient Safety Partner; we have made progress on this objective by engaging local and lay people in the sector to work with us to help define the role and responsibilities.
- Successfully introduced e-prescribing and medication administration on our IPU along with an extensive training programme for all relevant colleagues to ensure the transition was as safe and smooth as possible. Relevant training materials and guidelines were developed to ensure the electronic system was used in a consistent way.
- Enacted the first part of our sustainable medicines project to allow senior nurses to undertake training and pass a competency test, to enable them to review medications brought from home or other healthcare settings onto our IPU.

## PRIORITY 2

### **Empowering people in our communities to better support and care for people at the end of life.**

**We will make sure that people feel supported and have access to the right tools and advice to support others who are faced with death, dying, grief and loss. We will champion equity of access so that people can access our services equally, regardless of background, gender, sexual orientation or religion.**

Objectives for 2024/25 were to:

- Connect with underserved and overlooked communities in the Royal Borough of Kingston through a targeted project, with the aim of understanding why different people face different barriers to accessing our current care.
- Review our Compassionate Neighbour programme to ensure our systems support the work being carried out efficiently and to better demonstrate the impact of the programme on our communities.
- Implement our new bereavement pathway to increase awareness for individuals; both those who are known to the Hospice and those in our wider community, so they can self-refer into our service when they feel they need support.
- Develop a new Wellbeing offer to roll out a new programme of sessions, increase collaboration with the Bereavement team, tailor support for younger groups, work with GPs to enable direct referrals into the service and expand the support we offer to carers.
- Continue to work with partner organisations to ensure people with learning disabilities or autism or both can access our care and support in ways that work for them.

Achievements include:

- Delivered a wide variety of engagement and interaction within underserved and overlooked communities in the Royal Borough of Kingston, including:
  - o Workshops which have identified 14 individuals and organisations to engage with.
  - o Attended and contributed to many of the Kingston Voluntary Action (KVA) network opportunities.
  - o Connected with the Kingston Race Equality Council to explore potential collaborations.
  - o Attended Milaap Multicultural Day Centre, a local charity that offers support and wellbeing activities to older people from diverse multicultural backgrounds, to share information about the Hospice.
  - o Worked with members of the LGBTQ+ community, including the Kingston LGBTQ+ Forum, to deliver bereavement first aid training.
  - o Started to develop a relationship with Places Leisure, who run Kingston's leisure facilities, to explore how we can work together to support the wellbeing of terminally ill people, carers and bereaved people.
- Developed an e-referral process to improve access to the Compassionate Neighbour programme, as a result of workshops that highlighted a need to simplify access to this service.
- Launched a digital self-referral process to our bereavement services, resulting in 125 people accessing our support, alongside wider digitalisation of all processes. This has delivered better processing and monitoring of referrals, assessment of caseloads and collection of baseline data and feedback.
- Listened to feedback from patients and families, improving the wellbeing offer to include new sessions on staying active and planning for future care choices as well as introduction of drop-in visits from our bereavement team during wellbeing sessions.
- Worked better to involve people with learning disabilities and neurodiversity across our care, volunteering, and employment by hosting a Beyond Words Bookclub; partnered with Surrey Choices in a range of ways; worked closely with families who've used our services, and with Enhanceable, a social care provider for disabled people, exploring how we can support better with bereavement support.

## PRIORITY 3

**Developing our education, research and learning programmes to improve quality and encourage and support innovation.**

**We will make sure people are supported and cared for at the end of life by health and social care professionals who have the right skills, expertise and confidence.**

Objectives for 2024/25 were to:

- Streamline the administration of our European Certificate in Essential Palliative Care (ECEPC) learners to increase capacity.
- Develop an internal Continuous Personal Development (CPD) programme for our growing number of Non-Medical Prescribers.
- Review our provision of Advanced Communications Skills Training (ACST) and work with system partners to review how our ACST is delivered to ensure the course is sustainable and scalable to meet future need.
- Expand access to our specialist library by becoming a part of the Kent, Surrey and Sussex NHS libraries network to improve library access for our learners and partner organisations.
- Continue to strengthen our partnership working to ensure our education is available to the health and social care workforce throughout our care area.

Achievements include:

- Successfully automating and improving the candidate experience for our ECEPC course which has also given greater visibility to essential data.
- Supporting two more Clinical Nurse Specialists (CNS) to become Non-Medical Prescribers and continued to work with our existing prescribers to ensure CPD in partnership with other local hospices.
- Moving our delivery of the ACST online and trained two new facilitators.
- Launching a new Library Management System (Koha) to allow employees access to a wider range of resources through the NHS Kent Surrey Sussex Library collection.
- Being an active partner in coordination and delivery of education in Surrey Heartlands ICB by co-chairing the Training Sub-Committee of the People Committee and working closely with Kingston and Richmond NHS Foundation Trust to develop a SIMS (simulation) based education programme for community staff.

## **PRIORITY 4**

**Enhancing our collaborative influence in palliative and end of life care through leadership and advocacy.**

**We will use our expertise and knowledge to improve end of life care for everyone facing death, dying, loss and bereavement.**

Objectives for 2024/25 were to:

- Continue to prioritise collaborations and partnerships that are most likely to lead to improvement in the quality of, or access to, end of life care.
- Participate in research projects which influence the improvement of the way end of life care is delivered in all settings.
- Share our expertise with others within the wider hospice sector, across healthcare systems in which we work and by presenting care and service developments at conferences and seminars.
- Engage with those we care for and listen to their lived experiences and encourage their active participation to help better influence and shape the services we offer.

Achievements include:

- Participating in the various governance groups that support the delivery of health and care in Surrey Heartlands and South West London ICBs.
- Working with research partners from Dublin, Middlesex, London and Lancaster on projects which add to collective understanding about patient experience and service design and delivery.
- Supporting our NHS system partners during the extended “winter pressures” period by providing additional specialist clinical input and demonstrating that it could prevent unnecessary and unwanted hospital admissions and result in a better care experience for patients.
- Lobbying for more resource to be invested in end of life care and for hospices to receive a greater percentage of NHS contribution to the costs of delivering care.
- Presenting and exhibiting 8 posters at the Hospice UK annual conference – posters covered such diverse topics as: improving assessment and management of delirium in hospice patients; becoming an environmentally sustainable hospice and introducing an inclusive Easy Read booklet about our care.

## HOSPICE 2030

As we ended one strategic period, our new Chief Executive led the Senior Leadership Team in considering what our Hospice services might look like in the future through a programme of work called Hospice 2030.

We currently support thousands of people each year, but we know we only reach 1 in 4 of the people who need us.

We recognise that since the Hospice was founded, our communities have changed, healthcare provision has changed, fundraising has changed, and how and where we deliver services has changed too. What hasn't changed is our commitment to our original purpose of supporting people before, during and after death.

As we plan for the future, we continue to see a range of internal and external drivers that are having a wide-ranging impact on the Hospice:

- Changing demographics, with a projected increase in the number of people who will need complex palliative and end of life care in the future.
- An existing gap between those who need palliative and end of life care and those who receive it – a gap that is exacerbated by inequality, inequity and social exclusion.
- Changing health and social care structures, with an increased emphasis on collaboration and integration.
- Funding shortfalls – costs increasing more quickly than the income we can generate.
- Developments in technology and a growing acceptance of people using digital services to access and receive health care.
- Assisted dying – increasing debate and discussion around this complex and emotive issue.
- A competitive recruitment market for resource and skills.
- A growing emphasis on sustainability and the ESG (environmental, social, governance) agenda.

These drivers present both opportunities and challenges and allowed us to define four ambitions which have guided our strategic development during the remainder of the year:

- Reaching more people
- Reducing the unmet need significantly
- Engaging with and being active within the health and social care system
- Becoming a sustainable organisation

Workstreams around Purpose, Pounds and People have enabled the exploration of ideas and emergent thinking with colleagues across the Hospice. This involvement has proved invaluable, and the Board met in October 2024 to consider the fundamental strategic shifts we would need to make to realise our ambitions for 2030.

It is important to acknowledge that we can do this work because we're already in a strong position as a charity. In the short term our finances are secure, we have an organisation full of dedicated and amazing colleagues, and no shortage of desire to do more, do better for our patients and families.

# Objectives for 2025/26

## A YEAR OF INNOVATION AND TRANSITION

During the coming year we will hold the continuing development and delivery of the Hospice 2030 strategic work programme alongside a demanding 'business as usual' workload. This will require our Senior Leadership Team to remain flexible and adapt to the opportunities and challenges which will arise and to provide clarity around priorities for colleagues across the Hospice.

Key actions to support Hospice 2030 will include:

- Reviewing our community care model to ensure it is responsive, innovative and sustainable.
- Developing a multi-year financial plan that supports our strategy, sustainability and system approach.
- Delivering a new fundraising strategy that mobilises and inspires the community to support the Hospice.
- Designing workforce plans for both clinical and fundraising.
- Investing in new technology infrastructure and platforms to support customer experience and expectations.
- Implementing an approach to stakeholder management and engagement, with a particular focus on hearing the voice of and improving the experience we give to our patients and families and our supporters.
- Establishing a framework to measure the impact we have on individuals, communities and the wider health and care system; and
- Launching a programme of work to incubate new initiatives and ways of working in the London Boroughs of Kingston and Richmond.

As we transition to our new set of Hospice 2030 strategic goals and priorities, we are committed to delivery against the identified areas of focus under each of the existing strategic priorities.

**Priority one: We will develop and expand our specialist care capabilities. We'll focus on providing the right care by the right person at the right time and in the right place.**

In 2025/26 we will continue with our work to:

- Appoint a Patient Safety Partner (PSP) to improve the voice of patients and the community who use our services in our approach to patient safety, so that service improvements are focused on what matters to them.
- Deliver a sustainable medicines project to see if we can reduce drug wastage by changing our medication practices to be more sustainable.

In addition, we will:

- Explore the expansion of our response services, both Rapid Response and Night Response, to ensure our services provide equitable care to the communities we support.
- Digitise nursing documentation to ensure it is not only safe and effective but is also proportionate to the clinical needs of our patients and families.

**Priority two: We will empower and support people in our communities who are caring for people at the end of life. We'll make sure that everyone can make use of our services by providing accessible care and support.**

In 2025/26 we will:

- Improve the care and support we offer to people living with autism and learning disabilities through the implementation of an ambitious action plan which includes:
  - o Developing a learning disabilities charter and a learning disabilities and autism guideline.
  - o Launching a new buddy system on our In-Patient Unit and improving the use of 'About Me' and hospital passport documents when patients are referred or admitted.
  - o Adapting the processes of our weekly multidisciplinary team (MDT) meeting to prompt the team to consider the needs of people with a learning disability or autism.
- Strengthen our bereavement and spiritual care offering to expand the service further to meet more of the unmet need both to those connected to the Hospice and in our community.

**Priority three: We will continue to enhance our education, research and learning programmes to encourage and support an environment for innovation and excellent care.**

In 2025/26 we will:

- Improve the experience of learners registering for the courses listed on our website by mapping the process, improving automation and messaging.
- Build an alumni organisation for previous ECEPC candidates allowing them opportunities for CPD and to become part of the faculty of facilitators, examiners and markers.
- Increase our offer of communication skills training to include foundation, intermediate and advanced level courses.
- Work with partner organisations to provide simulated learning opportunities relevant to caring for dying people in their care setting.

**Priority four: We will enhance our collaborative influence on palliative and end of life care, through leadership and advocacy, both locally and nationally.**

In 2025/26 we will:

- Continue to prioritise collaborations and partnerships that are most likely to lead to improvement in the quality of or access to end of life care.
- Participate in research projects which influence improvement in the way end of life care is delivered in all settings.
- Share our expertise with others within the wider hospice sector, across healthcare systems in which we work and by presenting care and service developments at conferences and seminars.
- Engage with those we care for and listen to their lived experiences and encourage their active participation to help better influence and shape the services we offer.

We recognise that we have again set ourselves an ambitious work programme for 2025/26, alongside developing and implementing plans for Hospice 2030. We will continue to support our colleagues to help us achieve it through providing:

- Clear priorities around both business as usual and strategic delivery.
- Capacity to fully participate and deliver against priorities.
- Investment in education, training and leadership development.

- Access to a rich programme of wellbeing support and activities.

A constant between both our previous strategic period and Hospice 2030 is our overt and conscious commitment to celebrating difference and creating a culture of belonging at the Hospice, both for our colleagues and everyone in our community who needs to access our care and support. We will continue work to:

- Provide equitable access to our Hospice care for our local community.
- Hold our employee and volunteer forums regularly to inform and consult with colleagues.
- Promote our Speaking up Guardians and the role they have to support colleagues in raising concerns.
- Have a specific focus on anti-racism and continue to implement our antidiscrimination action plan, including an anti-racism statement and the rollout of our 'It's not Micro' mandatory employee training.
- Hold our inclusion talks and celebrate different religious and awareness activities to help increase understanding amongst colleagues and demonstrate to our community that the Hospice is here to care for and support everyone.

# Structure, governance and management

## Our Structure

Princess Alice Hospice was incorporated as a company limited by guarantee on 25 November 1981 and is governed by its Articles of Association. We are registered with the Charity Commission in England and Wales. Our registered office is at West End Lane, Esher, Surrey KT10 8NA.

## Our Objectives

We are an independent charity providing free palliative and end of life care to people on our In-Patient Unit and in their homes or care settings. We cover a community of more than a million people living in the London Boroughs of Kingston and Richmond, and across a large part of Surrey, delivering our person-centred, compassionate care to patients, families, carers and close friends before, during and after death.

Our education and research team works to improve end of life care knowledge and influence best practice across the wider health and social care landscape.

Our work is only made possible through the support of our community who help us to raise over 70% of the funds we need to deliver our services.

## Our Trustees

The Board of Trustees is responsible for overseeing our strategy and performance. Sally Harris is Chair of the Board. Sally was appointed as Chair Designate in July 2024 after a successful external recruitment campaign to recruit directly into the role of the Chair. She succeeded Sean Hilton, who stepped down at the AGM in October 2024 at the end of his tenure, having served 12 years as a Trustee, three as Chair.

The Trustees are the directors of Princess Alice Hospice for the purposes of the Companies Act 2006. They are not paid. There is a short biography of the Trustees on pages 48-49.

The Board meets regularly throughout the year to set and review strategy, approve the annual budget, review policies and maintain oversight of all Hospice operations. The CEO attends Board meetings to report back on performance and progress against strategic objectives. Members of the SLT, the wider management team or people involved in front line services attend to deliver in-depth 'spotlight' sessions focussing on a particular area of our activity. The Board may also hear from family members representing patient voice. This allows the Trustees to gain a deeper understanding of the organisation and the impact of our services. The Board has an annual Strategy Day to discuss issues in more depth and focus on strategic planning.

## Board Committees

The Board has delegated powers and responsibilities to the following committees:

- Clinical and Community Quality Assurance - chaired by Heather Patel
- Finance and Risk (Finance & Resources to January 2025) - chaired by Despina Don-Wauchope (to March 2025) (Scott Thomson from April 2025)
- Income Generation - chaired by Gail Cookson
- Remuneration and Nominations - chaired by the Board Chair
- Audit and Risk Committee (to January 2025) - chaired by Tim Hewens

Each committee has terms of reference which define its membership, responsibilities and delegated authority. The Board reviews committee structure and effectiveness regularly; minutes of committee meetings are on the agenda for the following Board meeting and the committee chairs provide a summary of the major issues discussed and decisions taken.

## **Recruitment of Trustees and committee advisory members**

We believe it is vital to get a mix of Trustees with the right skills, experience and knowledge to support the delivery of our charitable objectives. Trustees are initially appointed for two years and may then be reappointed for up to two more four-year periods (up to a maximum of 10 years). The Board has a good gender balance and we are committed to increasing the representation of people from ethnic minority backgrounds, different perspectives and life experience.

During the year five Trustees stepped down from the Board. Jonathan Perkins resigned in June 2024. Sean Hilton, Andrew Jennings, Deborah Bowman and Peter West stepped down at the AGM in October 2024. The Board recognised and thanked them all for their contribution to the Hospice.

Two new Trustees were appointed in the year. As noted above, the Board welcomed Sally Harris as a Trustee and Chair Designate in July 2024. Duncan Burton was appointed as a Trustee at the AGM in October 2024, having previously served as an advisory member on the Clinical and Community Quality Assurance Committee.

In addition to Trustees, the Board may invite individuals with relevant specialist skills and experience to become an advisory member to a committee or working group. These appointments are normally for an initial period of up to two years. They may be invited to become a Trustee or continue as advisory member. Their appointment may be renewed by mutual agreement, and the Board may end the appointment at any time. During the year, there were six advisory members.

One new committee advisory member was recruited during the year. Details of the advisory members can be found on page 49.

New Trustees and advisory members receive an induction and training specific to their role, co-ordinated by the SLT lead for the committee and the respective committee chair. They are also invited to attend the induction session offered to all new employees and volunteers. The Chair follows up individually with newly recruited Trustees and advisors to make sure that they feel supported and informed.

## **Senior Leadership Team**

Details of the SLT as at reporting year can be found on page 50. Our internal management structure is made up of seven directorates, each led by a member of the team:

- Patient care and communities
- Medical
- Finance and operations
- People services, volunteering and organisational development
- Income generation
- Marketing, communications, digital and performance
- Skills, knowledge and research

## Financial review

For 2024/25 we are reporting a deficit of £1.4m (2024: surplus £95k). The Board approved a deficit budget for the year and the outturn was on budget.

Our main income streams remain legacies, NHS funding, fundraising and retail, which are discussed in more detail below.

### Legacies

Legacies are a significant source of income for us. In 2024/25 legacy income was £4,905,498 (2024: £5,507,951) which is 45% (2024: 48%) of our net income. We base our budgeting and projections for legacy income on bespoke reports commissioned from Legacy Foresight, a specialist legacy sector analysis company. We are members of the Hospice Legacy Circle, a consortium of hospices that come together to learn and share knowledge about legacies. We use information available to us from notifications, solicitors and estate accounts to produce monthly KPIs to monitor future income. We hope that this will help us to identify whether any fluctuations in legacy income are short-term, or a longer-term trend – meaning we need to adapt our future plans.

### NHS funding

NHS grants accounted for 22% of our net income (2024: 20%). These are block grants based on historical practice and not related to the level of clinical activity undertaken. In 2024/25 we agreed a three-year grant agreement with Surrey Heartlands ICB and a one year contract with South West London ICB. The Board has assumed in its strategic plans that there would not be a significant drop in this source of income over the next few years.

We receive other NHS funding in the form of a contribution towards the cost of services such as our rapid response night service. We also claim Continuing Healthcare Funding for patients who are eligible for a care package but remain on our In-Patient Unit waiting for a suitable place of care to be available. This funding accounted for a further 5% of our net income (2024: 3%).

### DHSC capital funding

In 2024/25 we received £264,319 from the first tranche of the DHSC capital funding grant for hospices, administered by Hospice UK. The funding was fully expended in the year on capital items.

### Fundraising and retail

We need to raise more than 70% of our funding ourselves, so we rely on our local community to support us through donations, taking part in events and responding to our campaigns and appeals. Fundraising remains challenging as the cost of living crisis continues to impact on people's ability to give. Income from donations was £2,666,974 (2024: £2,385,034). This includes £310,851 of donations resulting from the outsourcing of our lottery to Local Hospice Lottery (2024: £192,775). Income from events was £581,354 (2024: £633,026).

Our retail shops made a net contribution of £507,891 (2024: £950,069). We achieved sales income of £6.96m (2024: £6.89m), a tribute to the hard work of our dedicated employees and volunteers. However, our costs increased significantly – up from £5.94m in 2024 to £6.46m. In April 2024 we completed a limited shop refresh programme with work on our Staines shop. In March 2025 we closed our stores in Ham and East Sheen as part of the strategic plan for the future of our retail portfolio.

## Going concern

The Board and the Finance and Risk Committee closely monitor the ongoing impact of economic uncertainty on both short and longer-term operations. We look at a range of budget scenarios and cash flow forecasts. The Trustees are satisfied that, even under the worst-case scenario considered, there are sufficient funds in current bank and building society accounts, together with investment funds, to continue operating and meet liabilities as they fall due for the foreseeable future.

The Board is confident that the Hospice's balance sheet is sufficiently robust to provide resilience. Our reserves should allow time to ensure that our service model is sustainable for the future if projections indicate a significant reduction in income over the next three years.

## Reserves

As noted above 45% of our net income comes from legacies. This income stream is hard to predict and can be subject to significant variation in any one year. We monitor our external environment and review the uncertainties related to our sources of income. We carry out financial planning and produce a three-year projection of income and expenditure, cash and reserves.

It would not be possible to reduce our expenditure in the short term without cutting services. We know that this would have a significant impact on the patients and families who rely on us for end of life care.

To maintain continuity of services in the event of a significant short-term drop in income, the Trustees have set aside funds in a designated Running Costs Reserve. For some years the target range for this reserve has been nine months, plus or minus three months, budgeted charitable expenditure for the year ahead. In 2024/25 the Board reviewed the reserves policy, very conscious of the need to balance risk against the need to spend charitable funds appropriately and for the benefit of our patients and families. It was agreed that for 2025/26 the target range should be set as six to nine months' budgeted charitable expenditure.

The balance on this reserve at the year-end represented 11 months (2024: 12 months) of the Hospice's budgeted charitable expenditure for 2025/26. This is above the target range but we are facing significant cost pressures in the year ahead. The increase in Employer's National Insurance and the National Living Wage have meant that once again the Board has approved a deficit budget. The Board has agreed this is acceptable in the short-term due to the level of our reserves but has asked for a multi-year plan and budget projections that show a return to a balanced budget in cash terms over the next few years. After reviewing the financial projections, the Board may invite expenditure proposals from the SLT to bring the Running Costs Reserve back within the target range.

The designated Strategic Development Reserve was established to support the delivery of the Hospice's strategic objectives. Expenditure of £290,849 was incurred from this fund in 2024/25 (2024: £527,319) for the delivery of strategic change projects.

The Trustees have established a new designated fund, the Innovation Incubator Fund to support the development of new solutions and approaches for the delivery of palliative and end of life care, to enable the Hospice to reach more people and reduce the unmet need. A transfer of £250,000 has been made in from unrestricted funds.

The Trustees have established a designated fund, the Sustainable Building Development Fund, to fund projects which increase the sustainability of our infrastructure. Expenditure of £5,947 was incurred from the fund in 2024/25 (2024: £107,867). Spending on other sustainable building projects was funded from the DHSC Capital Grant (see pages 16 and 35 for further details).

Notes 5 to 7 of the Financial Statements (see pages 40-41 below) provide more detail on these and other reserves.

## **Investments**

The Trustees are permitted by the Articles to deposit or invest Hospice funds. Most of our investments are managed on a discretionary basis by Cazenove Capital Management. At the year end our investment portfolio totalled £3,373,175 (2024: £3,316,711). The market value of the portfolio increased by £434 (2024: £187,033) during the year.

We adopt a socially responsible approach to investment, allowing ethical considerations to be taken into account as long as there is no significant detrimental impact on the investment return. The only ethical restriction currently imposed by the Board is that there must be no direct investment in any securities issued by tobacco companies.

Investments should deliver the best return for the Hospice, adhere to the agreed risk profile and show compliance with any Environmental, Social and Governance (ESG) principles that are agreed by the Board. Due to market volatility in 2024/25 and a good rate of return on cash, it was not considered prudent to invest further in funds.

The Finance and Risk Committee and our investment manager regularly review whether the performance of the investments is meeting the Hospice's investment policy.

More details about our investments are in Note 11 of the Financial Statements (see page 43 below).

## **Environmental, Social and Governance (ESG)**

As a charity we are established for public benefit. We are committed to making a positive contribution to the environment, delivering our services responsibly and to the highest standards of good governance. We continue to develop our approach to ESG and identify priorities in each area which are most closely related to our charitable purposes and will make the most difference for our beneficiaries.

### **Environmental**

We are committed to being environmentally sustainable and embedding this thinking into the way that we work.

In this section we present our Streamlined Energy & Carbon Report (SECR) on greenhouse gas (GHG) emissions for 2024/25. We have followed the 2019 HM Government Environmental Report Guidelines. Additionally, we have applied The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition March 2004) and the UK Government GHG Conversion Factors for Company Reporting -2024.

## SECR Report – All Hospice activity including retail operations

All Scopes				
Scopes	Emissions (tCO <sub>2</sub> e)		kWh	
	24/25	23/24	24/25	23/24
1 - Gas and Fuel	156.89	146.92	840,895.62	800,410.01
2 - UK Electricity	171.88	182.21	823,222.00	879,910.00
3 - Other Indirect Emissions	19.80	47.33	84,214.38	103,334.86
<b>Totals</b>	<b>348.57</b>	<b>376.46</b>	<b>1,748,332.00</b>	<b>1,783,654.87</b>
Intensity Ratio - tCO <sub>2</sub> e / fte				
24/25		23/24		
1.14		1.25		
Intensity Ratio - tCO <sub>2</sub> e / total square meters				
24/25		23/24		
0.0166		0.0179		
Emissions: Scope 1 - Data sourced from: Gas and fuel card invoices				
Emission Activities	Emissions (tCO <sub>2</sub> e)		Total kWh	
	24/25	23/24	24/25	23/24
Gas Usage	143.29	134.52	783,803.00	747,339.00
Diesel and Petrol Usage	13.60	12.40	57,092.62	53,071.01
<b>Totals</b>	<b>156.89</b>	<b>146.92</b>	<b>840,895.62</b>	<b>800,410.01</b>
Emissions: Scope 2 - Data sourced from: Smart meters and supplier invoices				
Emission Activities	Emissions (tCO <sub>2</sub> e)		Total kWh	
	24/25	23/24	24/25	23/24
Electrical Usage	171.88	182.21	823,222.00	879,910.00
<b>Total</b>	<b>171.88</b>	<b>182.21</b>	<b>823,222.00</b>	<b>879,910.00</b>
Emissions: Scope 3 - Data sourced from: Business mileage expense claims				
Emission Activities	Emissions (tCO <sub>2</sub> e)		Total kWh	
	24/25	23/24	24/25	23/24
Business milage from private vehicles (Grey fleet)	19.80	24.89	84,214.38	103,334.86
<b>Totals</b>	<b>19.80</b>	<b>47.33</b>	<b>84,214.38</b>	<b>103,334.86</b>
Key: kWh = kilowatt hours / fte = full time equivalent / tco2e = tonnes carbon dioxide equivalent				

Scope 1 emissions increased by 7%, whilst Scope 2 emissions decreased by 6% from 2023/24. In 2023/24 we reported on additional Scope 3 emissions, which totalled a further 22.44 tCO<sub>2</sub>e. Assuming the same emissions again this year, the intensity ratios would be 1.22 (tCO<sub>2</sub>e / fte) and 0.0177 (tCO<sub>2</sub>e / total square meters).

## Carbon reduction measures and actions

We continue to implement recommendations from the Energy Savings Opportunities Scheme (ESOS) and other energy-saving initiatives, as outlined below. ESOS Phase 3 identified a reduction of 890,000 kWh in total energy consumption when comparing Phase 2 (2019/20) with Phase 3 (2022/23).

The solar panels installed at the Hospice generated 49,500 kWh in 2024/25, accounting for approximately 6% of total electricity usage. Since their installation in July 2023, the system has produced over 102,500 kWh of renewable energy for Hospice use.

We have replaced our Night Response vehicle, used by clinical colleagues for community patient visits, with a fully electric vehicle. Additionally, a third EV charging point has been installed for Hospice-owned vehicles, ensuring the existing two points remain available for visitors and staff. During this reporting period, our EV charging network delivered 12,050 kWh, supporting greener travel.

At last year's Hospice UK National Conference, we presented a poster showcasing our environmental initiatives, with a focus on our ongoing efforts to improve energy efficiency.

We are currently exploring submetering of power and gas supplies across our estates. This will provide real-time visibility and granular insights into our energy distribution.

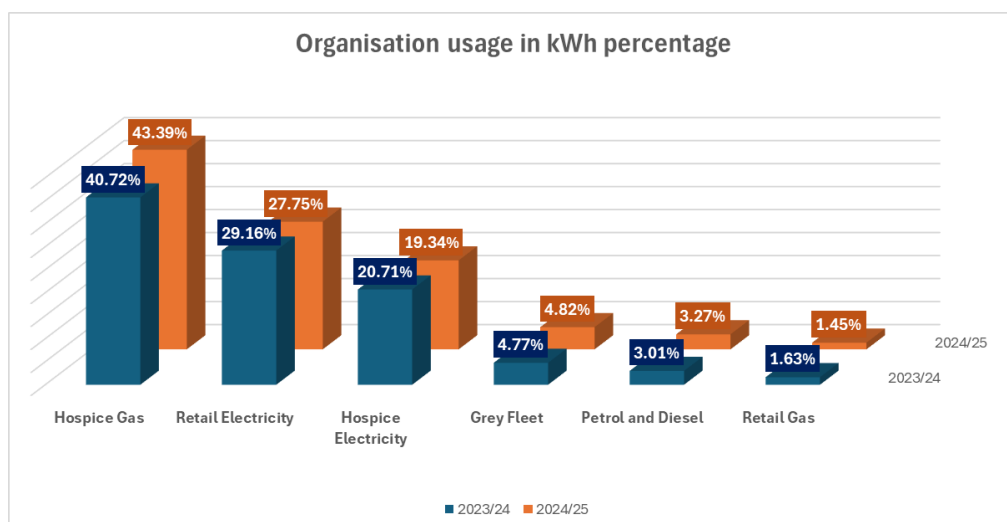
Our programme to install energy-efficient lighting and motion sensors continues across all estates. We are on track for the Hospice to be fully LED-lit by 2026, with retail estates following in the coming years.

We are procuring a more efficient electric heating and cooling system for the Hospice. This upgrade will include an integrated Building Management System (BMS) to enhance operational efficiency and functionality while reducing our reliance on gas-fuelled central heating.

We are also reviewing gas appliances within the Hospice, with plans to replace the gas roller iron in our Laundry with a more energy-efficient electric model.

Efforts to reduce non-recycled waste are ongoing, with improved recycling practices across operations. All refuse waste is diverted from landfill and converted into energy, while food waste and cooking oil are processed via anaerobic digestion to generate clean energy.

Following the consolidation of energy contracts across all estates in 2023, our electricity supply now comes from 72% renewable and 28% nuclear sources. As part of our 2025 energy tender, we aim to transition to 100% renewable electricity across all sites.



## Social

We are committed to the highest standards of ethical behaviour and practices towards our patients, families, visitors, employees and volunteers. We also make a wider beneficial contribution towards human health and wellbeing through our education and research programmes. You can find further details on page 8 in our Strategic Report.

### Public benefit

As a charity the Hospice is established for charitable purposes and for the public benefit. The Trustees give careful consideration to the Charity Commission's guidance on public benefit when setting the Hospice's aims and objectives and planning activities. Access to our services is based on need and open to anyone via referral from a healthcare professional, or, in the case of bereavement support, self-referral. There is no charge to patients or their families for any of our current care services. Education is one of our charitable purposes and our education programme is delivered at or below cost, and in some cases for no charge.

### Our people

Our people are at the heart of what we do, we could not deliver outstanding care or raise the funds we need without them. The hard work, commitment and extraordinary contributions of our employees and volunteers make such a difference to the people under our care.

We place a high priority on wellbeing and offer an employee assistance programme to all our employees through Health Assured. We offer various activities and courses to support mental, physical and financial wellbeing throughout the year. This is supported by a monthly wellness newsletter and a dedicated Wellbeing section on our People Services intranet hub. We offer supervision sessions to both clinical and non-clinical staff, where they can take time to reflect on the emotional aspects of working in a hospice. Our monthly Schwartz Round sessions allow colleagues from across the Hospice to come together to discuss the challenges and rewards that are part of providing care.

We have a quarterly 'Our Voice' forum, where representatives from across the organisation meet with the CEO and other members of the SLT to hear about important issues affecting the workforce and raise items from their area for discussion. Minutes are made available on the intranet. We also have a dedicated forum for our nurses, where they can raise any issues or concerns, to make sure they feel listened to and supported.

In 2024/25 we employed 434 people (2024: 411), the equivalent of 308 full-time employees (2024: 300):

- 84% of our employees are female
- 15% come from Black, Asian or other minority ethnic backgrounds
- The average age of our employees is 49

To attract more diverse employees, during 2024/25 we updated our employer brand and increased our use of social media to promote vacancies. We also worked on making sure we have an inclusive and anti-racist culture, delivering training and launching our commitment to being an anti-racist organisation.

Our dedicated volunteers give their time generously and for free, providing enormous added value for the Hospice and the people we care for. Over 1,350 (2024: 1,225) volunteers supported the Hospice during 2024/25 in a variety of different roles. Some volunteer directly with our patients and families, as ward support volunteers, compassionate neighbours, bereavement support volunteers or complementary therapists, others support us with administrative tasks. Our reception and coffee shop are entirely operated

by volunteers and a team of volunteer gardeners keep our grounds looking beautiful throughout the year.

Volunteers play an essential role in helping us to raise funds. Over 550 volunteers (2024: 530) supported our retail operation, helping us to keep our shops open six or seven days a week or supporting us at the retail hub in Hersham. Other volunteers are involved in fundraising, including the Friends' Committees, organising events in the community and promoting the work of the Hospice.

We also welcome volunteers who help us on an occasional basis with specific projects, and teams from local companies who donate their time for a day in the Hospice or in the shops.

We recruit our regular volunteers through advertising. They attend an induction programme and receive initial and ongoing training. We involve service users such as patients, families and carers on steering groups and in other activities where they can influence areas of service delivery.

## **Remuneration Policy**

We recognise that we have a duty to deliver our services effectively and maximise the use of our resources. To do this we need to attract and retain suitably qualified people with the right skills, knowledge and experience and pay them fairly and responsibly.

The market comparator for most of our clinical roles is the NHS. We directly employ medical consultants, doctors, nurses and other allied professional healthcare staff. To recruit and retain the qualified and experienced professionals we need in these roles we pay them at a rate equivalent to the relevant national scale.

For the remainder of our roles, when setting salaries, we consider the knowledge, skills and experience needed for the job and the local or national market forces affecting recruitment. We also benchmark against available information such as comparable roles being advertised locally and charity salary surveys. We take part in such surveys ourselves and benchmark against a range of our peers.

## **Governance**

Governance is the framework by which organisations are directed and controlled. We are committed to adopting best practice in governance and operating to the highest standards of compliance with law and regulations. To support us with this the Board is using the Charity Governance Code (the Code) as a guide for continuous improvement. We carry out an annual self-assessment against the Code to identify priorities for improvement in the year ahead.

Governance is also about how we manage risk, and how our culture and values support us to operate ethically and to be open and honest. You can find further details on pages 25 and 26 of this report.

Equality, diversity and inclusion remain a strong priority for us. We actively seek to attract a diverse pool of applicants in terms of gender, ethnicity and background. We advertise externally and keep our processes and procedures under review to make sure that there are no barriers to diverse recruitment. We make sure new Trustees and committee advisers are well supported during their induction period.

# Statement of Trustees' responsibilities

The Trustees (who are the Directors of the Hospice for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in line with the law and the regulations that apply. Under company law, the Trustees must prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare such statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). By law, these statements must give a true and fair view of the Hospice's finances and of the income and expenditure for the financial year.

When preparing these financial statements, the Trustees must:

- Choose suitable accounting policies and follow them consistently;
- Keep to the methods and principles in the Charities' Statement of Recommended Practice (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a 'going concern' basis, unless the Hospice is unlikely to continue in business.

The Trustees must keep proper accounting records that disclose the Hospice's financial position to a reasonable level of accuracy at all times and make sure that the financial statements comply with the Companies Act 2006. They are also responsible for protecting the Hospice's assets and taking reasonable steps to prevent and detect fraud and other unusual activity.

The Trustees believe they have taken all the necessary steps to make the auditors aware of any relevant audit information and have given the auditors a written undertaking to that effect. They also believe that they have identified the major risks that the Hospice faces. These have been reviewed, and systems have been put in place to reduce these risks as far as possible.

## Auditor

Forvis Mazars LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

# Fundraising Regulation

Princess Alice Hospice is registered with the Fundraising Regulator (FR) and committed to adhering to the Code of Fundraising Practice. We review compliance through audit and monitoring feedback, and take corrective action where required.

## Standards and monitoring

We are committed to following the highest ethical standards and ensuring a quality supporter experience. We have detailed policies and procedures in place that in many cases go beyond the minimum requirements for the sector, and we regularly monitor ourselves and our agencies through a range of methods (including regular internal audits and call listening). This helps ensure all Hospice fundraisers, and those who work on our behalf are aware of, and adhere to, our high standards. Some of our fundraising activity is conducted on our behalf, by carefully selected professional fundraising agencies. We also work with agencies to telephone existing supporters to talk about their donation and, on some occasions, to ask for a further donation. We work very closely with our agencies to make sure they represent our work and our organisation to the highest standards. None of our fundraisers, whether employed by us or one of our agencies, are paid on a commission basis.

## Complaints

We report our complaints on a calendar year basis to comply with the Fundraising Regulator's requirements. From tens of thousands of transactions, the number of complaints we received for the 12 months to 31 March 2025 regarding fundraising was five (2024: six).

## Managing communications

Most people who donate to us want to know how their money is making a difference. We ask whether they would like us to keep in touch with them so we can update them on our work and how they've helped us. From time to time, we ask supporters if they would like to support us further – for example, by increasing their donation or by taking part in a particular event. Sometimes, we need to share information with authorised people or organisations so they can deliver services. If this is the case, we only give them the information they need to do so – and we always make sure that they will protect information with security and confidentiality processes equivalent to ours.

We ask supporters how they would prefer us to communicate with them. We give them the option to let us know if they prefer less contact or no longer wish to hear from us and always respect their wishes. We never share, swap, rent or sell our supporters' details to any other charities or third parties for marketing purposes.

## Our Fundraising Promise

We will commit to high standards.

We will be clear, honest and open.

We will be fair and reasonable.

We will be respectful.

For further details please see our privacy policy at [www.pah.org.uk](http://www.pah.org.uk)

# Principal risks and uncertainties

We maintain an organisational risk register with responsibility for individual risks assigned to the SLT lead for each area of business. The SLT reviews the register on a regular basis and risks can be escalated or de-escalated at any time, informed by the individual directorate risk registers that sit below it.

The risk register helps us to prioritise risks based on their potential impact and how likely they are to occur. We also identify the controls, systems and procedures in place to mitigate each risk. At Board and committee meetings Trustees consider whether anything they have discussed or agreed has impacted the scoring of any risks. Strategic risks are discussed at every Board meeting and the Board formally reviews and approves the risk register annually.

Our NHS funding has not kept pace with inflation, particularly staff costs, and this has been made worse by the recent increase to Employer's National Insurance and the National Living Wage. This remains a concern for the Board in terms of sustainability for the future.

## **Our Main Risk areas are:**

**Income – inability to generate sufficient income to deliver our charitable activities.** We have diversified our income streams, we monitor our finances and cash position closely and have an appropriate level of reserves to withstand short term funding fluctuations. If we identify a longer-term trend of falling income, our reserves will ensure continuity of service provision whilst we seek other sources of funding or implement an appropriate cost reduction programme.

**People – inability to recruit and retain the people with the right attitude, skills and knowledge we need across the organisation.** We carry out workforce planning and monitor supply and demand carefully, introducing new roles and diversifying skills and competencies to make scarce resources go further. We carry out employee satisfaction and wellbeing surveys and use the results to identify where we need to make improvements.

**Culture/morale – inability to align our culture with changes that we need to make and that are being made in the environment within which we work.** The Board and SLT recognise that our people are at the heart of all we do and that it is essential that our employees and volunteers understand what is important to us, our patients and families and the communities we work with. We are open and transparent in our communications, share our business decisions and rationale and take steps to ensure that the organisational strategy is known and understood throughout the organisation. We monitor the effectiveness of these steps by conducting regular employee and volunteer engagement surveys.

**Health and Social Care Environment – the risk that changes in the health and social care environment will impact on our NHS funding and/or our ability to continue to deliver palliative and end of life care and support.** Senior colleagues work in partnership with health and care professionals and organisations across local health economies, demonstrating the impact of the care that we deliver. As new structures emerge, we take every opportunity to ensure that we have effective representation and continue to advocate for the needs of patients facing the end of life.

**Reputation – risk of reputational damage.** As a charity our reputation is of vital importance. We have a comprehensive set of policies and procedures in place to ensure compliance with best practice and legislation. All comments and complaints are responded to and investigated promptly to ensure that lessons are learned for organisational improvement. This is supported by our communications strategy. In 2021/22 the Hospice was inspected by the CQC and achieved an overall rating of ‘Outstanding’ for the second consecutive time.

**Business continuity – risk of fire, flood or other environmental events that impact on our ability to operate.** Our business continuity plan is kept under review by a steering group made up of key service managers. This ensures that our contingency plans for maintaining services and operations are robust and up to date. We have a disaster recovery server with a dedicated internet connection which can be brought online very quickly to ensure continued access to patient records and other business critical information. Staff receive regular training on dealing with emergency situations, including evacuation of the premises if necessary. Elements of the plan are tested on a regular basis.

Approved by the Board of Trustees on 16 July 2025 and signed on its behalf by

A handwritten signature in blue ink, appearing to read 'Sally Harris', is positioned above the printed name.

Sally Harris  
Chair, Board of Trustees, Princess Alice Hospice

# Independent auditor's report to the members of Princess Alice Hospice

## Opinion

We have audited the financial statements of Princess Alice Hospice (the 'charity') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity and the group's affairs as at 31 March 2025 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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 other information comprises the information included in the Strategic Report and Trustees' Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and,

except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within 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 and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

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

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 23, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006, the Charities Act 2011 and the Charities Statement of Recommended Practice.

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

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

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

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

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

### **Use of the audit report**

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



Nicola Wakefield  
(Senior Statutory Auditor)  
for and on behalf of Forvis Mazars LLP  
Chartered Accountants and Statutory Auditor  
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 7 October 2025

# Consolidated statement of financial activities (including income and expenditure account)

For the year ended 31 March 2025

Consolidated	Notes	Unrestricted	Designated	Restricted	Endowment	Total funds	Total funds
		funds	funds	funds	funds	2025	2024
		£	£	£	£	£	£
<b>Income</b>							
<b>Donations and legacies</b>							
Donations	1.4	2,317,225	-	349,749	-	2,666,974	2,385,034
Legacies	1.4	4,905,498	-	-	-	4,905,498	5,507,951
NHS grants	1.4	2,411,438	-	-	-	2,411,438	2,232,036
<b>Other trading activities</b>							
Retail shops	2	6,964,145	-	-	-	6,964,145	6,890,465
Fundraising events	1.4	581,354	-	-	-	581,354	633,026
Trading subsidiaries	3	227,469	-	-	-	227,469	378,118
<b>Investments</b>	1.4	240,760	-	-	36,654	277,414	328,967
<b>Charitable activities</b>							
DHSC Grant	1.4	-	-	264,319	-	264,319	-
NHS service funding	1.4	314,148	-	-	-	314,148	280,643
NHS continuing healthcare funding	1.4	165,974	-	-	-	165,974	87,064
Education	1.4	282,771	-	-	-	282,771	283,277
<b>Other income</b>							
Other income	1.4	36,051	-	-	-	36,051	56,078
<b>Total income</b>		<b>18,446,833</b>	<b>-</b>	<b>614,068</b>	<b>36,654</b>	<b>19,097,555</b>	<b>19,062,659</b>
<b>Expenditure</b>							
<b>Expenditure on raising donations and legacies</b>	4	1,329,136	119,463	-	-	1,448,600	1,353,976
<b>Expenditure on other trading activities</b>							
Retail shops	2 & 4	6,431,894	24,360	-	-	6,456,254	5,940,396
Fundraising events	4	182,891	2,167	-	-	185,058	154,640
Trading subsidiaries	3 & 4	142,301	-	-	-	142,301	196,021
<b>Total expenditure on raising funds</b>		<b>6,757,086</b>	<b>26,527</b>	<b>-</b>	<b>-</b>	<b>6,783,613</b>	<b>6,291,057</b>
<b>Expenditure on charitable activities</b>							
In-patient care	4	5,614,339	51,660	80,567	35,844	5,782,411	5,360,840
Hospice at home	4	4,292,668	29,991	197,550	-	4,520,208	4,340,376
Community engagement and support	4	679,887	2,167	41,313	-	723,367	677,805
Education	4	1,222,838	9,027	4,930	810	1,237,605	1,130,987
<b>Total expenditure on charitable activities</b>		<b>11,809,732</b>	<b>92,845</b>	<b>324,360</b>	<b>36,654</b>	<b>12,263,591</b>	<b>11,510,008</b>
<b>Total expenditure</b>	4	<b>19,895,954</b>	<b>238,836</b>	<b>324,360</b>	<b>36,654</b>	<b>20,495,804</b>	<b>19,155,041</b>
<b>Net (expenditure) before gains/losses</b>		<b>(1,449,121)</b>	<b>(238,836)</b>	<b>289,708</b>	<b>-</b>	<b>(1,398,249)</b>	<b>(92,382)</b>
Net income on investments	11	434	-	-	-	434	187,033
<b>Net expenditure/(income)</b>		<b>(1,448,687)</b>	<b>(238,836)</b>	<b>289,708</b>	<b>-</b>	<b>(1,397,815)</b>	<b>94,651</b>
Transfer from designated funds	5	929,635	(929,635)	-	-	-	-
Transfer from restricted funds	6	338,857	-	(338,857)	-	-	-
<b>Net movement in funds</b>		<b>(180,195)</b>	<b>(1,168,471)</b>	<b>(49,149)</b>	<b>-</b>	<b>(1,397,815)</b>	<b>94,651</b>
<b>Reconciliation of funds</b>							
<b>Total funds brought forward at 1 April 2024</b>		<b>386,361</b>	<b>18,854,009</b>	<b>79,145</b>	<b>905,041</b>	<b>20,224,556</b>	<b>20,129,905</b>
<b>Total funds carried forward at 31 March 2025</b>		<b>206,166</b>	<b>17,685,538</b>	<b>29,996</b>	<b>905,041</b>	<b>18,826,741</b>	<b>20,224,556</b>

All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The comparative figures for each fund are shown in Note 8. The Notes on pages 34 to 47 form part of these financial statements.

## Balance sheets as at 31 March 2025

	Notes	Group		Charity	
		2025	2024	2025	2024
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	9	25,870	4,354	25,870	4,354
Tangible fixed assets	10	5,063,703	5,374,894	5,063,703	5,374,894
Investments	11	3,373,175	3,316,711	3,374,275	3,317,811
<b>Total fixed assets</b>		<b>8,462,748</b>	<b>8,695,959</b>	<b>8,463,848</b>	<b>8,697,059</b>
<b>Current assets</b>					
Stock	12	7,378	9,824	-	-
Debtors	13	5,398,871	6,831,904	5,522,502	7,050,341
Cash on Deposit		3,732,395	3,732,395	3,377,467	3,732,395
Cash at bank		2,435,551	2,246,079	2,621,765	1,984,267
<b>Total current assets</b>		<b>11,574,195</b>	<b>12,820,202</b>	<b>11,521,734</b>	<b>12,767,003</b>
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	(1,178,202)	(1,259,605)	(1,126,841)	(1,207,506)
<b>Net current assets</b>		<b>10,395,993</b>	<b>11,560,597</b>	<b>10,394,893</b>	<b>11,559,497</b>
<b>Total assets less current liabilities</b>		<b>18,858,741</b>	<b>20,256,556</b>	<b>18,858,741</b>	<b>20,256,556</b>
<b>Provisions for liabilities</b>					
Annuity provision	1.9	(32,000)	(32,000)	(32,000)	(32,000)
<b>Total net assets</b>		<b>18,826,741</b>	<b>20,224,556</b>	<b>18,826,741</b>	<b>20,224,556</b>
<b>The funds of the charity:</b>					
Endowment funds	7	905,041	905,041	905,041	905,041
Restricted income funds	6	29,996	79,145	29,996	79,145
Designated funds	5	17,685,538	18,854,009	17,685,538	18,854,009
Unrestricted funds		206,166	386,361	206,166	386,361
		<b>18,826,741</b>	<b>20,224,556</b>	<b>18,826,741</b>	<b>20,224,556</b>

Approved by the Board of Trustees on 16 July 2025 and signed on its behalf by:



Sally Harris  
Chair



Scott Thomson  
Honorary Treasurer

## Consolidated cash flow statement for the year ended 31 March 2025

	Notes	2025	2024
		£	£
<b>Net (expenditure)/income for the year (as per the statement of financial activities)</b>	<b>b/fwd from page 31</b>	<b>(1,397,815)</b>	<b>94,651</b>
<b>Adjustments for:</b>			
Depreciation and amortisation	<b>9 &amp; 10</b>	770,895	708,684
Net (gain) on investments	<b>11</b>	(434)	(187,033)
Investment income		(277,414)	(328,967)
Decrease in stock	<b>12</b>	2,446	3,960
Decrease/(increase) in debtors	<b>13</b>	1,433,033	(1,447,641)
(Decrease) in creditors	<b>14</b>	(81,403)	(355,758)
<b>Cash flows from operating activities</b>			
<b>Net cash provided by/(used in) operating activities</b>		<b>449,308</b>	<b>(1,512,104)</b>
<b>Cash flows from investing activities</b>			
Investment income		277,414	328,967
(Purchase) of fixed assets	<b>9 &amp; 10</b>	(481,220)	(514,993)
Sale of investments	<b>11</b>	817,265	506,332
(Purchase) of investments	<b>11</b>	(873,295)	(566,219)
<b>Net cash (used in) investing activities</b>		<b>(259,836)</b>	<b>(245,913)</b>
<b>Increase/(decrease) in cash in the year</b>		<b>189,472</b>	<b>(1,758,017)</b>
<b>Opening balance at bank</b>		<b>5,978,474</b>	<b>7,736,491</b>
<b>Closing balance at bank</b>		<b>6,167,946</b>	<b>5,978,474</b>

## Notes to the Financial Statements

### FOR THE YEAR ENDED 31 MARCH 2025

#### 1. Accounting Policies

##### 1.1 Basis of preparation

These financial statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (“Charities SORP” (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) and the Companies Act 2006.

The charitable company, Princess Alice Hospice (the “Hospice”) 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(s).

The financial position of the Hospice is set out in the Trustees’ Annual Report.

The environment for fundraising continues to be challenging, particularly as people have faced a squeeze on their incomes due to high inflation and energy costs.

Cash flow forecasts have been prepared and a range of future scenarios considered. The Trustees are satisfied that, due to the level of cash and reserves held, even under the worst-case scenario considered there are sufficient funds to continue operating and meet liabilities as they fall due for the foreseeable future.

The Trustees are of the opinion that the Hospice has sufficient money in current bank and building society accounts together with investment funds to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of accounting in preparing these annual financial statements.

##### 1.2 Group financial statements

The financial statements consolidate the results of the Hospice and its wholly-owned subsidiaries PAH Trading Limited and PAH Lottery Limited (“the group”) on a line-by-line basis. A separate Statement of Financial Activities (“SoFA”) and Income and Expenditure Account for the charity has not been presented because the Hospice has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The income of the Hospice was £18,801,035 (2024: £18,866,636) and the expenditure was £20,353,510 (2024: £18,959,020).

##### 1.3 Fund accounting

Endowment, restricted, designated and unrestricted funds are separately disclosed in the Balance Sheet and in the Consolidated SoFA. These different funds are defined as follows:

- Endowment funds are funds given to the Hospice where it may use only the income generated from investing these funds
- Restricted funds are subject to specific restrictive conditions imposed by the donor or by the nature of an appeal
- Designated funds are set aside at the discretion of the Trustees for specific purposes. They would

otherwise form part of unrestricted funds

- Unrestricted funds are available to use at the discretion of the Trustees in furtherance of the charitable objectives of the Hospice.

#### **1.4 Income**

The total income receivable in the year comprises donations, legacies, NHS income, income from trading activities, interest, fees from education courses run by the Hospice and other sundry income.

Legacies are recognised as income when it can reasonably be assumed that the Hospice is entitled to the legacy and the amount can be estimated with sufficient reliability.

The DHSC Grant is the first tranche of the £100m capital funding for hospices announced by the Government in December 2024. The grant is administered by Hospice UK. This is a restricted grant and it was fully expended in 2024/25 on capital items (see note 6 and note 10).

NHS grants are the block grants that the Hospice receives from NHS Surrey Heartlands Integrated Care Board (ICB) and the contract funding with NHS South West London ICB. These are based on historic practice and not related to the level of clinical activity undertaken by the Hospice. They are only agreed for up to one year at a time. However, in 2024/25, a three-year funding agreement has been established with NHS Surrey Heartlands ICB.

NHS service funding is income received related to the provision of a clinical service, which is normally linked to specific clinical activities undertaken by the Hospice. This may be funding for a new initiative which has been commissioned by an ICB in its care area, such as rapid response night service, or a pilot project. Funding is typically received as a percentage contribution towards the total costs.

NHS continuing healthcare funding is income received for patients who are eligible for a continuing care package. These patients are ready for discharge from the In-Patient Unit but are waiting for a suitable place in a care home or nursing home, or for domiciliary care to be arranged.

#### **1.5 Donated goods and services**

Donated vehicles, plant or furniture, for use by the Hospice, are recognised as tangible fixed assets and the corresponding gain recognised as income from donations in the SoFA. Donated facilities or services are likewise recognised as income from donations on the basis of the value of the gift to the Hospice and an equivalent amount recognised as an expense under the appropriate heading in the SoFA.

The Hospice did not receive any donations of assets in the year ended 31 March 2025 (2024: £Nil). Donated goods for resale are recognised as income when sold and included in income from retail shops in the SoFA. It is not practical to estimate the fair value of these goods on receipt because of the volume of low-value items received and the lack of detailed records.

In accordance with the Charities SORP (FRS 102), general volunteer time is not included as income in the accounts as it is not possible to measure this reliably. However, the Hospice relies on the contribution of volunteers and is very grateful for their time. See page 21 for further details.

## 1.6 Expenditure

Direct costs comprise expenditure incurred during the year both directly and indirectly attributable to the activity concerned. Support costs include the cost of governance, housekeeping, catering, facilities and health & safety, people services, marketing and communication, finance and administration and depreciation of fixed assets. These have been allocated to activities on a proportionate basis e.g. by activity level, headcount or on the basis of staff time spent (see Note 4).

## 1.7 Taxation

As a registered charity, the Hospice benefits from business rates relief from local Councils and is exempt from direct tax on its charitable activities. The Hospice is able to claim back VAT on most of its activities, any irrecoverable VAT is included in the cost of those items to which it relates. Income tax recoverable in respect of donations under Gift Aid and investment income is included with the income to which it relates.

## 1.8 Intangible and tangible fixed assets

Fixed assets are stated at cost, net of depreciation. Depreciation is provided at rates calculated to write off the cost in equal instalments over the economic life of the asset at the following annual rates:

• Intangible assets	20%/33%
• Freehold land	0%
• Freehold buildings	4%
• Leasehold buildings	over the life of the lease
• Furniture and equipment	10%
• Medical equipment	20%
• Motor vehicles	25%
• Information and Communication Technology Equipment	20%/33%

Items are treated as fixed assets and their costs capitalised only where the purchase price exceeds £1,000.

Intangible fixed assets are non-monetary fixed assets that do not have physical substance, such as computer software, licences and website development.

The cost of leasehold buildings represents capital expenditure on retail shops and lease acquisition premiums.

## 1.9 Pension costs

The total employer pension cost for the year ended 31 March 2025 was £752,307 (2024: £709,914). Total contributions of £120,604 (2024: £112,297) were due to be paid after the year end.

### NHS Pension Scheme

The Hospice makes payments to the NHS Pension Scheme for former NHS employees who, on employment with the Hospice, are eligible to continue in or re-join the NHS Pension Scheme. The NHS Pension Scheme is an unfunded defined benefit scheme that covers employees of NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State for Health and Social Care in England and Wales, which includes the Hospice. It is not possible to identify the Hospice's share of the underlying assets and liabilities and as a result the NHS Pension Scheme is treated as a defined contribution scheme under FRS102.

The employer contribution payable in the year to the NHS Pension Scheme was £381,052 (2024: £367,299).

### **Group Personal Pension Scheme**

A defined contribution scheme is in operation for eligible employees with contributions payable by both the Hospice and the relevant employees. The assets of these plans are held separately from those of the Hospice, being invested with an insurance company. The current provider of the scheme is Scottish Widows Limited.

The employer contribution payable in the year into the Group Personal Pension Scheme was £264,844 (2024: £237,970).

### **Auto-enrolment**

All employees meeting certain criteria must be enrolled into a workplace pension if they are not already in a qualifying scheme. The Hospice has chosen the National Employment Savings Trust ("NEST") to meet its auto-enrolment obligations. The employer contribution payable in the year into NEST was £96,852 (2024: £95,447).

### **Other pension schemes**

The Hospice contributed to one other pension scheme (2024: one). This scheme is a defined contribution pension scheme.

Prior to 31 December 2011 it was a defined benefit scheme, which is now closed to new members and also to future accrual of benefits to existing members. It is not possible to identify the Hospice's share of the underlying assets and liabilities and as a result the scheme is treated as a defined contribution scheme under FRS102.

The employer contribution payable in the year into the scheme was £5,293 (2024: £5,057).

### **Annuities**

The Hospice is contracted to pay annual sums for life to one (2024: one) former employee based on a sum agreed in 1998 increased by the Hospice annual salary increase (if any). The sum paid in the year under review was £4,265 (2024: £4,141). This liability is met from income in the year in which it is paid.

A provision of £32,000 (2024: £32,000) has been retained to cover future unfunded liabilities. The Trustees consider this provision to be adequate.

### **1.10 Stock**

Stock purchased for sale is valued at the lower of cost and net realisable value. Stock donated for sale in the Hospice's retail shops is valued at nil.

### **1.11 Operating leases**

The Hospice has entered into various operating leases, the future financial commitment to which is set out in Note 18. Rentals payable under these leases are charged on a straight-line basis over the term of the lease.

## 1.12 Investments

Listed investments are included in the balance sheet at market value. Realised gains and losses on disposals in the year and unrealised gains and losses on investments at the balance sheet date are included in the Consolidated Statement of Financial Activities. The movement in the valuation of investments during the year is set out in Note 11.

## 2. Retail shops results

		2025	2024
		£	£
Turnover*		6,964,145	6,890,465
Direct costs	(5,981,601)		
Support costs	(474,653)	(6,456,254)	(5,940,396)
		507,891	950,069

\*Turnover includes £2,233,316 (2024: £2,302,332) of donations and associated Gift Aid of £558,329 (2024: £575,583) from the retail Gift Aid scheme. This scheme involves PAH Trading Limited selling goods on behalf of supporters ("Agency Sales") in the Hospice's retail shops and the supporters then donating the proceeds of the Agency Sales to the Hospice under Gift Aid.

## 3. Trading subsidiaries

The Hospice has one wholly owned subsidiary which is incorporated in the UK for the purposes of generating income for the Hospice's charitable purposes. The whole of its taxable profit is donated to the Hospice under a Deed of Covenant within nine months of the year end. The specific activity of the trading subsidiary is:

PAH Trading Limited (1925762) – sells new and promotional goods, as well as receiving commission on Agency Sales, provides catering services for the benefit of the Hospice and external users and undertakes other sundry trading activities.

The Hospice has one wholly owned subsidiary which is a dormant company:

PAH Lottery Limited (3347939) – previously operated lotteries. In August 2023 the lottery was outsourced to an external provider, Local Hospice Lottery (LHL), the final draw took place on 4 August 2023. The company is no longer trading. Lottery income paid to us by LHL is treated as a donation.

	PAH	PAH	Total	Total
	Trading Ltd	Lottery Ltd	2025	2024
	£	£	£	£
<b>Profit and loss accounts</b>				
Turnover	227,469	-	227,469	378,118
Cost of sales	(129,158)	-	(129,158)	(163,123)
Direct overheads	-	-	-	(9,319)
Administrative expenses	(13,143)	-	(13,143)	(38,027)
Expenses	(142,301)	-	(142,301)	(210,469)
Net profit	85,168	-	85,168	167,649
Amount covenanted to the Hospice	(85,168)	-	(85,168)	(167,649)
Retained in subsidiary	-	-	-	-
Previous year net profit (all covenanted to the Hospice)	86,862	80,787	167,649	167,649
<b>Shareholder's funds</b>				
Share capital (issued)	100	1,000	1,100	1,100

#### 4. Total expenditure

	Direct Costs	Support costs (See note 1.6)	Total 2025	Total 2024
	£	£	£	£
In-patient care	3,412,906	2,369,505	5,782,411	5,360,840
Hospice at home	3,597,310	922,898	4,520,208	4,340,376
Community engagement and support	488,307	235,060	723,367	677,805
Education	771,194	466,411	1,237,605	1,130,987
Raising donations and legacies	843,402	605,198	1,448,600	1,353,976
Fundraising events	141,379	43,679	185,058	154,640
Retail shops	5,981,601	474,653	6,456,254	5,940,396
Trading subsidiaries	15,236,099	5,117,404	20,353,503	18,959,020
	142,301	-	142,301	196,021
	15,378,400	5,117,404	20,495,804	19,155,041
<b>Analysis of support costs:</b>	<b>Basis of apportionment</b>	<b>Group 2025</b>		<b>Group 2024</b>
		£		£
Governance	Time spent	34,806		33,569
Housekeeping	Time spent	769,787		645,324
Catering	Resource allocated	357,982		314,119
Facilities and health & safety	Resource allocated	649,167		588,922
People services	Head Count	392,672		340,005
Volunteering	Resource allocated	160,908		140,623
Digital and performance	Time spent	814,133		773,202
Marketing and communication	Resource allocated	398,431		436,755
Executive, finance and administration	Time spent	916,985		856,015
Amortisation/depreciation (excluding retail)	Resource allocated	622,533		624,928
		5,117,404		4,753,462
		<b>Group 2025</b>		<b>Group 2024</b>
<b>The above figures include:</b>		£		£
Auditor's remuneration - statutory audit		33,047		35,758
- other services		6,100		5,360
Operating lease rentals:				
For charitable activities:				
Equipment		25,312		25,312
For generating funds:				
Leasehold retail shops		1,459,824		1,500,192
PAH Trading Limited - vending machines		8,398		8,398
Amortisation/depreciation of owned assets		770,895		708,684

## 5. Designated funds

	Group and Hospice			
	Balance		Net	Balance
	2024	Expenditure	Transfers	2025
	£	£	£	£
Fixed Asset Equalisation Fund	5,379,248	-	(289,675)	5,089,573
Running Costs Reserve	12,492,000	-	(832,000)	11,660,000
Strategic Development Reserve	641,886	(218,796)	(72,053)	351,037
Innovation Incubator Fund	-	-	250,000	250,000
Sustainable Building Development Fund	289,915	-	(5,947)	283,968
Staff wellbeing fund	50,960	(20,040)	20,040	50,960
	<b>18,854,009</b>	<b>(238,836)</b>	<b>(929,635)</b>	<b>17,685,538</b>

The Fixed Asset Equalisation Fund represents the net book value of tangible and intangible fixed assets. This assists in identifying funds which are not free for the Trustees to use. The transfer of £289,675 (2024: £193,691) out to unrestricted funds represents the difference between net capital expenditure and depreciation.

The Running Costs Reserve is intended to provide adequate reserves to meet future charitable expenditure in the event of a significant short-term drop in income. The Trustees are targeting a level of six to nine months' months budgeted charitable expenditure. A transfer of £832,000 has been made out to unrestricted funds (2024: £1,032,000 in from). The balance on this fund is 11 months (2024:12) of the Hospice's budgeted cash expenditure on charitable activities for 2025/26.

The Strategic Development Reserve has been established to support the delivery of the Hospice's strategic objectives. Revenue expenditure of £218,796 was incurred in the year (2024: £393,369) on a number of strategic change projects, some of which are multi-year. Capital expenditure of £72,053 (2024: £133,950) was incurred and transferred out to unrestricted funds.

The Innovation Incubator Fund has been established to support the development of new solutions and approaches for the delivery of palliative and end of life care to enable the Hospice to reach more people and reduce the unmet need. A transfer of £250,000 has been made from unrestricted funds.

The Sustainable Building Development Fund has been established to fund sustainable building development initiatives, as they are identified, to meet our sustainability goals. There has been no transfer in from unrestricted funds (2024: £Nil). In 2025, £5,947 (2024: £107,867) was expended from this fund. The significant reduction in expenditure is due to the sustainable capital projects being funded through the Department of Health and Social Care (DHSC) restricted grant during the year.

The Staff Wellbeing Fund has been established to fund initiatives to improve workforce wellbeing and engagement. A transfer of £20,040 (2024: £nil) has been made from unrestricted funds. Expenditure of £20,040 (2024: £19,608) was incurred during the year on providing an Employee Assistance Programme and activities during Wellbeing month.

## 6. Restricted funds

	Balance 2024	Income	Expenditure	Transfers	Balance 2025
	£	£	£	£	£
Ward equipment fund	5,946	47,202	-	(45,577)	7,571
Counselling Rooms Refresh	-	13,065	-	-	13,065
Bereavement Service	1,898	17,743	(18,518)	-	1,123
Wellbeing	678	18,886	(19,564)	-	-
Dementia pilot scheme	50,062	-	(50,062)	-	-
Hospice at Home - Community	13,195	68,751	(81,946)	-	-
Community engagement programmes	2,634	22,500	(22,550)	-	2,584
Man Shed	539	20,000	(20,539)	-	-
Hospice at Home - Car	-	29,479	-	(28,961)	518
Virtual clinic support for homelessness	-	23,490	(23,490)	-	-
Ward at Home	-	50,000	(50,000)	-	-
DHSC Capital Grant	-	264,319	-	(264,319)	-
In Patient Unit	-	30,505	(30,505)	-	-
Garden	2,256	-	(2,256)	-	-
Other Funds	1,937	8,129	(4,930)	-	5,136
	79,145	614,068	(324,360)	(338,857)	29,996

The policy of the Trustees is to treat donations given for specific purposes as Restricted Funds until properly expended. The funds shown are those which were directed by donors to be used for specific purposes and are unexpended at 31 March 2025. These funds will be used in accordance with the directions of the donors in a subsequent accounting period.

## 7. Endowment funds

	Balance 2024	Movement in resources		Balance 2025
	£	Income	Expenditure	£
The Edwin Stevens fund	40,000	1,620	(1,620)	40,000
The D.J. Squires "Love of Roses" fund	20,000	810	(810)	20,000
The June Daphne Allen fund	845,041	34,224	(34,224)	845,041
	905,041	36,654	(36,654)	905,041

The Edwin Stevens fund relates to a permanent capital contribution received on establishment of the Hospice. The D.J. Squires Love of Roses fund was established in 1996, the income from which is to be used for the research and advance of palliative care. The June Daphne Allen fund was created by the conditions of a legacy received in July 2001, the income from which is to be used for the general purposes of the Hospice. All income arising from these funds was expended during the year.

## 8. Comparative results for each group of funds

Year ended 31 March 2024	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds 2024
	£	£	£	£	£
<b>Income</b>					
Donations	2,132,529	-	252,505	-	2,385,034
Legacies	5,507,951	-	-	-	5,507,951
NHS grants	2,232,036	-	-	-	2,232,036
NHS service funding	280,643	-	-	-	280,643
NHS continuing healthcare funding	87,064	-	-	-	87,064
Education	283,277	-	-	-	283,277
Retail shops	6,890,465	-	-	-	6,890,465
Fundraising events	633,026	-	-	-	633,026
Trading subsidiaries	378,118	-	-	-	378,118
Investments	299,523	-	-	29,444	328,967
Other income	56,078	-	-	-	56,078
<b>Total income</b>	<b>18,780,710</b>	<b>-</b>	<b>252,505</b>	<b>29,444</b>	<b>19,062,659</b>
<b>Expenditure</b>					
Raising donations and legacies	1,227,065	126,911	-	-	1,353,976
Retail shops	5,805,256	135,140	-	-	5,940,396
Fundraising events	154,640	-	-	-	154,640
Trading subsidiaries	196,021	-	-	-	196,021
In-patient care	5,271,341	50,583	10,123	28,793	5,360,840
Hospice at Home	4,150,312	40,527	149,537	-	4,340,376
Community engagement and support	578,736	21,319	77,750	-	677,805
Education	1,091,839	38,497	-	651	1,130,987
<b>Total expenditure</b>	<b>18,475,210</b>	<b>412,977</b>	<b>237,410</b>	<b>29,444</b>	<b>19,155,041</b>
Net gain on investments	187,033	-	-	-	187,033
<b>Net income/(expenditure)</b>	<b>492,533</b>	<b>(412,977)</b>	<b>15,095</b>	<b>-</b>	<b>94,651</b>
Transfer to designated funds	(646,492)	646,492	-	-	-
Transfer from restricted funds	2,310	-	(2,310)	-	-
<b>Net movement in funds</b>	<b>(151,649)</b>	<b>233,515</b>	<b>12,785</b>	<b>-</b>	<b>94,651</b>

## 9. Intangible assets

	Total 2025
Cost	£
At 1 April 2024	437,749
Purchases	25,325
Disposals	-
At 31 March 2025	463,074
<b>Amortisation</b>	
At 1 April 2024	433,395
Charge for year	3,809
Disposals	-
At 31 March 2025	437,204
<b>Net book value</b>	
At 31 March 2025	25,870
At 31 March 2024	4,354

## 10. Tangible fixed assets

	Freehold land	Freehold buildings	Leasehold buildings	Furniture, equipment and vehicles	Total 2025
Cost or valuation	£	£	£	£	£
At 1 April 2024	71,586	12,470,774	632,578	2,331,996	15,506,934
Purchases	-	131,105	108,188	216,602	455,895
Disposals	-	-	(16,462)	(27,395)	(43,857)
At 31 March 2025	71,586	12,601,879	724,304	2,521,203	15,918,972
<b>Depreciation</b>					
At 1 April 2024	-	8,073,918	357,013	1,701,109	10,132,040
Charge for year	-	449,187	119,182	198,717	767,086
Disposals	-	-	(16,462)	(27,395)	(43,857)
At 31 March 2025	-	8,523,105	459,733	1,872,431	10,855,269
<b>Net book value</b>					
At 31 March 2025	71,586	4,078,774	264,571	648,772	5,063,703
At 31 March 2024	71,586	4,396,856	275,565	630,887	5,374,894

Capital expenditure of £264,319 (2024: £nil) was funded using the DHSC Capital grant funding.

## 11. Investments

	2025	2024
	£	£
<b>Marketable investments</b>		
Market value at start of year	3,316,711	3,069,791
Net additions at cost	873,295	566,219
Disposals at market value	(817,265)	(506,332)
Net gain on revaluation/disposal	434	187,033
Market value at 31 March	3,373,175	3,316,711
<b>Trading subsidiaries (see Note 3)</b>	1,100	1,100
<b>Total investments</b>	3,374,275	3,317,811
Cost at 31 March	2,834,313	2,693,502
	<b>2025</b>	<b>2024</b>
	£	£
Marketable investments comprise:		
Equities	1,688,483	1,722,044
Fixed Income	745,465	644,903
Other securities (absolute return funds, multi-asset funds, property funds, etc.)	714,917	768,459
Short term deposits and cash	224,310	181,305
	3,373,175	3,316,711

## 12. Stock

	Group	
	2025	2024
	£	£
Stock of promotional and new goods (all stock is held by PAH Trading Limited)	7,378	9,824

### 13. Debtors

	Group		Hospice	
	2025	2024	2025	2024
	£	£	£	£
Operating debtors	215,566	139,926	215,566	139,926
Accrued legacy income	4,180,571	5,471,285	4,180,571	5,471,285
Gift Aid recoverable	191,187	259,741	191,187	259,741
Retail rents prepaid	361,082	369,082	361,082	369,082
Insurance pre-paid	-	117,519	-	117,519
Other debtors and prepayments	450,465	474,351	450,465	473,673
Amounts due from subsidiaries	-	-	123,631	219,115
	5,398,871	6,831,904	5,522,502	7,050,341

### 14. Creditors

	Group		Hospice	
	2025	2024	2025	2024
	£	£	£	£
Taxation and social security costs	307,454	262,172	307,454	262,172
Salaries and holiday pay	37,768	35,633	37,768	35,633
Operating creditors	417,728	487,539	403,738	485,538
Other creditors and accruals	415,252	474,261	377,881	424,163
	1,178,202	1,259,605	1,126,841	1,207,506

### 15. Staff remuneration

Costs	Group	
	2025	2024
	£	£
Salaries	12,911,712	11,874,911
Employer's National Insurance	1,194,371	1,094,033
Pension costs	752,307	709,914
Apprenticeship Levy	48,114	44,781
Agency staff	112,097	61,343
Recruitment and training expenses	159,914	143,433
Subsidiary companies staff costs	-	9,319
	15,178,515	13,937,734

	2025		2024	
	Headcount	FTE	Headcount	FTE
<b>Average number of employees</b>				
In-patient unit	62	47	63	48
Hospice at home	69	49	69	50
Community engagement and support	10	9	9	6
Consultants and doctors	9	6	11	7
Clinical support services	15	10	16	11
Housekeeping	23	17	22	16
People services and volunteering	10	9	10	7
Other support services	20	13	18	14
Education	12	9	11	9
Marketing and communication	7	6	7	7
Fundraising	20	16	19	16
Digital and performance	12	11	13	11
Retail	153	97	131	90
Executive and finance	12	9	12	8
	434	308	411	300

	2025	2024
The number of employees whose earnings (excluding employer's pension contributions) fell into the bands below were:	No.	No.
£60,000 to £69,999	13	10
£70,000 to £79,999	2	2
£80,000 to £89,999	4	1
£90,000 to £99,999	1	5
£100,000 to £109,999	3	1
£110,000 to £119,999	*1	1

\*The pay of the Chief Executive falls within this band.

Included in the numbers above are members of the leadership team, plus medical consultants, specialty doctors and other senior clinical staff directly employed by the Hospice who are paid at a rate equivalent to the relevant NHS scale.

The key management personnel of the Hospice are the Trustees and the Senior Leadership Team ('SLT'). During the year the SLT has comprised of the Chief Executive, Director of Patient Care and Communities (Deputy Chief Executive), Director of Marketing, Communications, Digital and Performance, Director of Income Generation, Director of Finance and Operations, Director of People Services, Volunteering and Organisational Development, Director of Skills, Knowledge and Research, and Medical Director. They are subject to the same terms and conditions as other members of staff and do not receive any additional employee benefits. They are only reimbursed for expenses wholly and necessarily incurred for business purposes in accordance with Hospice policy. The total employee benefit (salary and employer's pension contribution) received by the SLT was £798,742 (2024: £853,658).

The Trustees are the directors for the purposes of the Companies Act 2006 and, as required by the Articles of Association, are the members of Princess Alice Hospice, a Company limited by Guarantee. They receive no remuneration. During the year to 31 March 2025, they were reimbursed for expenses of £Nil (2024: £46).

An aggregate payment of £69,364 (2024: £19,721) was made to 4 ex-employees (2024: 4) under a settlement agreement. An aggregate payment of £53,316 (2024: £3,298) was made to 7 (2024: 2) employees on redundancy in respect of statutory redundancy pay.

## 16. Related Party Transactions

During the year ended 31 March 2025, the aggregate amount of donations received from Trustees and their close family members, the SLT and their spouse/partner was £1,465 (2024: £4,468).

The Trustees volunteer their time to fulfil their governance and leadership roles. They provide support and advice to the SLT. They attend internal and external meetings, Hospice events and external events, in person where possible but otherwise virtually during the year. The Trustees estimate that during the year they donated over 2,000 hours of time in aggregate.

During the year to 31 March 2025 the Hospice invoiced PAH Trading Limited for £9,856 (2024: £9,857) for the use of retail shop facilities to sell goods on behalf of supporters (Agency Sales) and £4,880 (2024: £4,591) for the preparation of sandwiches to sell in the coffee shop. On 31 March 2025 a balance of £123,631 (2024: £219,115) was owed to the Hospice from PAH Trading Limited and PAH Lottery Limited.

## 17. Analysis of net assets between funds (Group)

	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total 2025	Total 2024
	£	£	£	£	£	£
Fixed assets	-	5,089,573	-	-	5,089,573	5,379,248
Investments	-	2,468,134	-	905,041	3,373,175	3,316,711
Current assets	1,416,368	10,127,831	29,996	-	11,574,195	12,820,202
Current liabilities	(1,178,202)	-	-	-	(1,178,202)	(1,259,605)
Annuity provision	(32,000)	-	-	-	(32,000)	(32,000)
	206,166	17,685,538	29,996	905,041	18,826,741	20,224,556

## 18. Other financial commitments

	Retail Shops		Equipment	
	2025	2024	2025	2024
At 31 March 2025 the Group was committed to making the following payments under non-cancellable operating leases:				
	£	£	£	£
<b>Operating leases which expire:</b>				
Within 1 year	942,260	1,060,177	25,312	10,786
Within 2 to 5 years	1,655,721	2,062,517	22,924	29,315
After 5 years	427,500	493,537	-	-
	3,025,481	3,616,231	48,235	40,101

## 19. Simplified income and expenditure statement

	Notes	Group		Group		
		2025	2025	2024	2024	
Income		£	£	£	£	
NHS grants	1.4		2,411,438	22%	2,232,036	20%
DHSC grants	1.4		264,319	2%	-	
Voluntary income						
Legacies	1.4		4,905,498	45%	5,507,951	48%
Donations	1.4	2,666,974			2,385,034	
Cost of generating voluntary income	4	(1,448,600)			(1,353,976)	
			1,218,374	11%	1,031,058	9%
Fundraising events	1.4	581,354			633,026	
Cost of fundraising events	4	(185,058)			(154,640)	
			396,296	4%	478,386	4%
Trading subsidiaries	3	227,469			378,118	
Cost of trading subsidiaries	3	(142,301)			(196,021)	
			85,168	1%	182,097	2%
Retail						
Retail income	2	6,964,145			6,890,465	
Cost of retail	4	(6,456,254)			(5,940,396)	
Retail contribution			507,891	5%	950,069	8%
Investment income	1.4		277,414	3%	328,967	3%
NHS service funding	1.4		314,148	3%	280,643	2%
NHS continuing healthcare funding	1.4		165,974	2%	87,064	1%
Education	1.4		282,771	3%	283,277	2%
Other	1.4		36,051	0%	56,078	0%
<b>Net income</b>			<b>10,865,342</b>	<b>100%</b>	<b>11,417,626</b>	<b>100%</b>
<b>Expenditure</b>						
<b>Charitable activities</b>						
In-patient care	4	(5,782,411)		47%	(5,360,840)	47%
Hospice at home	4	(4,520,208)		37%	(4,340,376)	38%
Community engagement and support	4	(723,367)		6%	(677,805)	6%
Education	4	(1,237,605)		10%	(1,130,987)	10%
			(12,263,591)		(11,510,008)	
<b>Total expenditure on charitable activities</b>			<b>(12,263,591)</b>	<b>100%</b>	<b>(11,510,008)</b>	<b>100%</b>
<b>Operating (deficit)</b>			<b>(1,398,249)</b>		<b>(92,382)</b>	

# Who's who at Princess Alice Hospice

## Trustees

**Sally Harris** (from July 2024)

**Chair** (from October 2024)

Sally had a successful career in retail finance before qualifying as an executive coach. She is also a Trustee of RNID and the Fashion Retail Academy and was formerly a Trustee of the Fertility Network.

**Professor Sean Hilton**

**Chair** (to October 2024)

Sean is Emeritus Professor at St George's, University of London. He was a GP partner for 30 years in Kingston upon Thames.

**Deborah Bowman MBE**

**Vice-Chair** (to October 2024)

Deborah is an Emeritus Professor of Medical Ethics and Law and a Clinical Ethicist who has combined a successful academic career with effective and values-based senior leadership in Higher Education.

**Duncan Burton** (from October 2024)

Duncan is Chief Nursing Officer for England and an Executive/National Director for NHS England. Duncan has spent his entire career in nursing in the NHS and has held a variety of leadership and executive roles.

**Despina Don-Wauchope**

**Honorary Treasurer** (to March 2025)

Despina is a Chartered Management Accountant and has more than 30 years' experience working for a number of FTSE100 companies.

**Gail Cookson**

Gail has been a director at a London-based creative agency for over 18 years and has over 30 years' experience in fundraising.

**Fidelma Hatton**

Fidelma has over 20 years' experience in the non-profit sector. She has a background in direct marketing and is also a Trustee of Age UK Sutton.

**Tim Hewens**

Tim is a solicitor and a partner at a London firm. He was previously a Trustee of Walton Charity and of the RG Foundation.

**Ros Irving**

Ros has worked for more than 25 years in business-to-business events with experience in research and content creation, marketing, sales, operational delivery, risk and compliance.

**Andrew Jennings** (to October 2024)

Andrew is retired following a career as a Chartered Accountant in the City where he spent over 30 years in International Law management.

**José Sanchez Loureda**

José has extensive experience in driving digital business transformation and providing strategic leadership. He has worked with a range of UK and global organisations.

**Heather Patel**

Heather is a retired GP. Her practice was in Claygate and she worked closely with the Hospice on behalf of her patients for over 35 years.

**Jonathan Perkins** (to June 2024)

Jonathan is a retired solicitor. He has held various voluntary positions, including a previous term as Trustee of the Hospice (2006 – 2015).

**Raja Ram**

Raja is an experienced finance leader with expertise in supporting business strategy and driving change. He has worked in various senior finance roles in the insurance sector.

**Scott Thomson**

**Honorary Treasurer** (from April 2025)

Scott has over 20 years' experience in the banking sector as a finance and business transformation leader. He has expertise in strategic financial management and planning, supporting and enabling business strategy.

**Darren Webb**

Darren has over 20 years' experience in financial markets and has worked for a number of international businesses.

**Peter West** (to October 2024)

Peter is a health economist with over 40 years' experience working for consulting groups, universities and government agencies across the world.

## **Honorary President**

**Jane Formby MBE**

Jane has been involved with the Hospice for over 40 years, first as a volunteer then as a founding Trustee. Jane stepped down as a Trustee in 2018 and took up the role of Honorary President.

## **Committee Advisory Members**

**Rob Aldous** – Income Generation Committee

**Louise Mitchell** – Income Generation Committee

**Tim Moody** – Income Generation Committee

**Melaine Coward** – Clinical & Communities Quality Assurance Committee

**Gita Singham-Willis** – Digital & Data Development working group

**Elizabeth Gilroy-Scott** – Digital & Data Development working group

## Senior Leadership Team (as at reporting year)

**Nigel Seymour** - Chief Executive

**Lesley Munro** - Deputy Chief Executive and Director of Patient Care and Communities

**Jane Berg** - Director of Skills, Knowledge and Research

**Karen Garforth** - Director of People Services, Volunteering and Organisational Development

**Angela Grimes** - Director of Income Generation

**Diane Rickwood** - Director of Finance and Operations and Company Secretary

**Julia Russell** - Director of Marketing and Communications and Digital and Performance

**Emily Sills** - Medical Director

## Advisors

**Cazenove Capital Management**, 1 London Wall Place, London EC2Y 5AU

**Forvis Mazars LLP**, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

**Barclays Corporate**, Ground Floor, Tagus House, Ocean Way, Southampton, SO14 3TJ

# Special thanks to...

## Trusts

B and Q Foundation  
Bentley Advancing Life Chances Fund  
Bryan and June Amos Foundation  
Charles Hayward Foundation  
Clara E Burgess Trust  
Community Foundation for Surrey  
Co-Op Local Community Fund  
Dentons UKMEA LLP Charitable Trust  
Diocese of Arundel and Brighton  
Elmbridge Partnership Fund  
Family Rich Charities Trust  
Farrer-Brown Charitable Trust  
Frazer Trust  
Grace Trust  
Holloway Charitable Trust  
Hospice UK  
Kingston Nursing Association  
Lidl Community Fund  
Lockwood Charitable Foundation  
Mark Benevolent Fund  
Mr and Mrs A M Hendry Charitable Trust  
Richmond Foundation  
Shanly Foundation  
Summerhill Trust Ltd  
Tesco Charity Trust  
The Albert Hunt Trust  
The Ann Jane Green Trust  
The Anonymous Donor Trust  
The Ardwick Trust  
The Audley Foundation  
The Brian and Bronwen Mills Charitable Trust  
The Brock Webb Trust  
The Church Trust  
The Dandy Charitable Trust  
The Dixie Rose Findlay Charitable Trust  
The Eddleston Settlement  
The Elizabeth Frankland Moore and Star Foundation  
The Erica Leonard Trust  
The February Foundation  
The Gerald Bentall Charitable Trust  
The H C Beer Charitable Trust  
The Haydn Abbott Charitable Trust  
The Hospital Saturday Fund Charitable Trust  
The Ingram Trust  
The Light Fund  
The London Orphan Asylum (Reed's School)  
The Margaret and David Walker Trust  
The National Lottery Community Fund  
The Peters Family Foundation  
The R C Sherriff Trust  
The Rowan Bentall Charitable Trust  
The Shirley and Ian Watson Charitable Trust  
The Simon Trust  
The Vernon N Ely Charitable Trust  
The William Allen Young Charitable Trust  
The William Henry Way Bequest Trust  
Tk Maxx and Homesense Foundation  
Tom and Sheila Springer Charitable Trust  
Walsingham Care  
Walton Charity  
Wolfson Foundation

# Special thanks to...

## Masons

Abbey Lodge No 2120

Addlestone Lodge 5222

Bolingbroke Lodge L2417

Chingestune Lodge No 5542

Coveham Lodge

David Bonner Lodge 9678

Egyptian Lodge

Ember Manor Lodge

Good Companions Lodge of Instruction L7524

Heston Lodge

Light from the East Chapter No 4186

Lovekyn Chantry Lodge No 6807

Middlesex Shooting Sports Lodge

The Mole Masonic Lodge

Molesey Lodge Chapter 2473

Old Shirburnian Lodge 3304

Roll Call Lodge No. 2523

Rosehill Park Lodge

Sir Charles Bright Chapt 1793

Southborough Lodge

Springewell Lodge

St Georges Esher Lodge

Strong Man Lodge No 45

Surrey Royal & Select Masters Freemasons

The Oddfellows Mid-Surrey District Lodge 3713

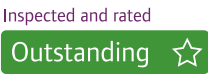
With sincere thanks to everybody in our community who has continued to support us in so many ways throughout this year.



**Contact us**

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**PRINCESS ALICE HOSPICE**

England & Wales - Charity number 1010930

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# Accounts

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# Princess Alice Hospice

## 2024 Trustees' Annual Report



YEAR ENDED 31 MARCH 2024

## Princess Alice Hospice makes a difference

It costs us £11.5 million each year to provide free, high-quality care.

Funding provided by the NHS represents only 20% of our expenditure on charitable activities. The balance is raised through legacies, fundraising, dedicated shop units, investments and the support of our communities. It is only through the extraordinary generosity of our community and other supporters that we're able to do our work.

We are rated by the Care Quality Commission as providing outstanding palliative and end of life care in the community and within our Hospice. Our teams of employees, volunteers and supporters are positive, passionate and professional.

No one can prevent death, but we do everything we can to make dying as good as possible for patients, their families and friends. We believe that hospice care is for living.

### Our Vision

Our communities will have the best care and support before, during and after death.

### Our Mission

We will develop hospice ways of working so that we can best deliver services that place people at the centre of everything we do.

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# Chair and CEO report

I am delighted to introduce the Trustees' Annual Report for 2023/24.

Princess Alice Hospice is a community response charity, founded by our local community 40 years ago. Then and now we remain committed to delivering outstanding care for patients and their families.

In this second year of our strategic period, we have much to feel proud about. In year one, we identified priority projects (at team and organisational level) that sat underneath four overarching priorities; developing specialist care; empowering communities to support and care for people better at end of life; development and innovation of our education programmes and building up our leadership and advocacy in end of life care provision. We have begun to implement some of those transformative projects, detailed in this report, and are starting to reap the rewards of the continuing hard work.

We are fully aware that our income is not keeping pace with rising costs. Nevertheless, our current stable position cannot be underestimated, given the reality of the wider funding crisis facing many other UK hospices. In this financial year, 48% of the cost of our charitable activities was met by legacy income. We have invested in this area of growth, in a considered approach that allows us to plan ahead with confidence to be here for our patients and families in the future.

In December 2023, we said a fond farewell and thank you to Nicki Shaw, who stepped down as Chief Executive after 12 years. Nicki brought an infectious energy to her role and championed a culture of belonging and inclusion that we continue to prioritise across the organisation. She was passionate about creating developmental opportunities for all colleagues and, with our care, meeting the healthcare needs of people in overlooked and underserved communities. In what continues to be a challenging healthcare landscape, Nicki left us in a stable position that will enable us to move forward successfully. We are extremely grateful for her contributions and achievements.

Nigel Seymour was appointed Chief Executive on 1 March 2024 by the Board of Trustees. He has been with Princess Alice Hospice for over 16 years and, as Deputy Chief Executive, was key to developing and implementing our current strategy.

Transformative change will continue to be central to us in 2024/25 and beyond. Our ongoing focus on sustainability – financial and environmental – will also be necessary if we are to reduce unmet need and continue providing outstanding care to more people in our care area.

Looking further ahead, our vision continues to place people at the heart of everything we do. Our people are our biggest strength and allow us to continue on our journey of continuous improvement. The high levels of aspiration and ambition we have are only made possible by our employees and volunteers, whose commitment to excellence continues to inspire us all. Our commitment to them is an ongoing investment in their development and personal wellbeing. I cannot thank them enough for the contributions they make.

This will be my final report as Chair, as I will be standing down at our 2024 AGM after twelve years as a Trustee and, latterly, Chair. It has been a truly rewarding time, and a privilege to act as Chair for the past three years. Princess Alice is a wonderful organisation, and I wish my successor Sally Harris, as Chair, and Nigel Seymour, as Chief Executive, every success in leading the outstanding care and services that the Hospice is able to provide.



Sean Hilton

**Chair of Trustees**

**A word from Nigel Seymour, Chief Executive:**

Princess Alice Hospice is an amazing charity, full of brilliant people, delivering outstanding care. It is my great honour to lead this organisation forward in what is undoubtedly a challenging time for the hospice sector. Our care touches people at the hardest of times and we know there are more people who need us. We will continue our focus on reaching overlooked and underserved communities, so that everybody knows they are welcome at Princess Alice Hospice. Ever conscious of the testing funding situation we continue to face, the hard work and dedication will continue, to ensure we can continue to be here for local people like this:

**“Thank you from the bottom of my heart. You all did so much for J and I am forever grateful. What you do is very special. You are all amazing people. I will never forget what you did for my son.”**

Patient family quote

A handwritten signature in blue ink that reads "Nigel Seymour". The signature is written in a cursive, flowing style.

Nigel Seymour  
**Chief Executive**

# Making our ambitions a reality

In April 2022 we began our current strategic period where we identified four main priorities on which to focus:

- Developing and expanding our specialist care
- Empowering people in our communities to better support and care for people at the end of life
- Developing our education, research and learning programmes to improve quality and encourage and support innovation
- Enhancing our collaborative influence in palliative and end of life care through leadership and advocacy.

Our strategy provides us with the ability to adapt and develop, ensuring we remain focused on our long-term vision, which is that our communities will have the best care and support before, during and after death. This requires us to be innovative in our approach, seizing opportunities, whilst never losing sight of our person-centred approach to care.

During the second year of this strategic period, we have continued to see a range of internal and external drivers that are having a wide-ranging impact on the Hospice, namely:

- Changing demographics, with a projected increase in the number of people who will need palliative and end of life care in the future
- An existing gap between those who need palliative and end of life care and those who receive it – a gap that is exacerbated by inequality, inequity and social exclusion
- Changing health and social care structures, with an increased emphasis on integration
- Funding shortfalls – costs increasing more quickly than the income we can generate
- Developments in technology and a growing acceptance of people using digital services to access and receive health care
- Increasing and changing demands of the people we care for
- Assisted dying – increasing debate and discussion around this complex and emotive issue
- A competitive recruitment market for resources and skills
- A growing emphasis on sustainability and the ESG (environmental, social, governance) agenda.

These drivers present both opportunities and challenges. We have also continued to deliver transformational change across the Hospice, to ensure sustainability and resilience.

It is widely acknowledged that hospices are operating in a period of continuous change, complexity and unprecedented uncertainty, especially in how they are funded. With a reliance on charitable income, and after another year of significant cost and salary inflation with little or no increase in statutory funding, the vulnerability of the hospice sector has been clear to see.

NHS funding represents 20% (-2% on 22/23) of our expenditure on our charitable activities. We raise the balance through fundraising. This includes legacies, revenue from our shops, investments and the generous support of our communities.

The objectives we set ourselves and the achievements we realised as an organisation during the year under report, are summarised below.

## PRIORITY 1

### Developing and expanding our specialist care

**We will provide and develop outstanding, personalised, specialist end of life care by adapting our models of care and broadening access to our community services, focusing on providing the right care, by the right people, at the right time and in the right place.**

Our clinical colleagues continued to deliver outstanding compassionate care and support throughout the year. 2,530 new patient referrals were received (+ 4% on 22/23) with 315 In-Patient Unit admissions (+5% on 22/23). Our Hospice at Home team provided 11,850 face-to-face, video and telephone consultations by a Clinical Nurse Specialist (+29% on 22/23).

The NHS and our Social Care partners are facing unprecedented pressures. Our teams have gone 'over and above' frequently to support colleagues under pressure, to ensure patients and loved ones receive high quality care and support, irrespective of where they are being cared for. As well as delivering core services clinical colleagues have continued to be focused on increasing the reach and responsiveness of our services.

Objectives for 2023/24 were to:

- Review our approach to responding to and learning from patient safety incidents based on the NHS Patient Safety Incident Response Framework (PSIRF)
- Use thematic analysis to better understand user experience and feedback
- Implement newly redesigned clinical pathways (referrals to the Hospice, Bereavement and Carer/pre-bereavement support)
- Establish a new Wellbeing Breathlessness Programme to enable patients to manage their breathlessness more effectively
- Support Trainee Nurse Associates (TNA) as part of Surrey Heartlands TNA development programme.

Achievements include:

- Undertaking extensive work to develop our specific Patient Safety and Incident Response Framework (PSIRF) plan and policy that aligns with the NHS's recommendations, which was approved by Surrey Heartlands ICB in April 2024. As part of the plan, and based on our quality information, we have decided to focus our patient safety work on 3 main areas:
  - Falls on the In-Patient Unit
  - Medication errors
  - Pressure ulcers that develop whilst on the In-Patient Unit (IPU)

To enable effective completion of patient safety investigations, a core group of staff have been trained in different approaches to investigations and supporting patients and their families through these investigations

- Actively engaging and supporting colleagues to undertake the trainee nurse associate programme at a local university
- Implementing a revised, dedicated and holistic approach to support people managing with breathlessness
- Reintroducing the VOICES Survey, which we distribute to bereaved people to understand better their experiences of our services, together with introducing a thematic analysis of all compliments, comments and concerns, to identify trends around strengths and areas for

development. Furthermore, in January 2024 a webpage was launched to enable us to publicly share positive and constructive feedback alongside a 'You Told Us, We Listened' section, that outlines feedback received, that has resulted in changes or improvements to our service

- Implementing a new Pre-Bereavement Carers Pathway which included integrating our Carers and Families Lead into the Wellbeing Team, simplifying the referral process, reducing delays in people accessing our support and increasing the number of people we are reaching to an average of 46 carers on the caseload at any one time, up from 10 the previous year
- Improving nursing leadership and professional standards for In-Patient care by individualising the induction programme for new staff
- Practice development colleagues increased the number of teaching sessions which also provided a focus on pressure ulcers to include introducing a new pressure ulcer risk assessment, reviewing the pressure ulcer documentation and raising the profile of pressure ulcer preventative care, in line with national changes to clinical practice
- Introducing Statistical Process Control to analyse and interpret clinical data to focus governance and clinical discussions on specific points where there is evidence of significant variation, at our Quality Improvement, Development and Patient Safety Committee
- Monitoring safe staffing levels on the IPU, with the annual report demonstrating the unit was appropriately staffed throughout the year
- Developing and implementing an organisation-wide diversity and inclusion data standard to support a consistent approach and enable an inclusive way to ask for the data from our patients
- Introducing a fortnightly Wellbeing patients Multi-Departmental Team (MDT) meeting to identify and discuss patients and provide a more responsive and efficient service
- Piloting different clinical models of care to support our focus on right care, by the right people, at the right time and in the right place.

## PRIORITY 2

**Empowering people in our communities to better support and care for people at the end of life.**

**We will make sure that people feel supported and have access to the right tools and advice to support others who are faced with death, dying, grief and loss. We will champion equity of access so that people can access our services equally, regardless of background, gender, sexual orientation or religion.**

Objectives for 2023/24 were to:

- Develop a learning and disability outreach programme
- Expand the Compassionate Neighbours programme, improving support for people with dementia
- Work with other charity partners, scope a programme for palliative and end of life care in the homeless community
- Streamline the transition from carer support to bereavement so that people do not feel abandoned by the Hospice on the death of their loved one.

Achievements include:

- Continuing to implement our diversity and inclusion work programme to ensure we provide more equitable access to our hospice care, for our local communities
- Developing a plan to improve how we include people with learning disabilities in all that we do, working collaboratively with The Grange Centre and Surrey LEDER (Learning from lives and deaths of people with a learning disability and autistic people programme)

- Expanding the Compassionate Neighbour programme to ensure it is meeting the needs of people with dementia by appointing a new Coordinator who is developing relationships with dementia organisations and established a dementia support group
- Working with SPEAR, a charity that supports people experiencing homelessness in south west London, to form an MDT inclusive of a palliative care consultant, a clinical nurse specialist and a social worker to review cases and agree clear outcomes and approaches for individuals
- Designing a new Bereavement Pathway which works in alignment with our new Pre-Bereavement Carer pathway to enable us to provide the best support and the most appropriate time, optimising the use of resources across the Hospice
- Removing barriers for people accessing our services, whose main language is not English, by reviewing our patient literature, adopting the Plain English standard, and our approach to interpreting by developing new guidance and accessing digital tools when ad-hoc support is needed.

### **PRIORITY 3**

#### **Developing our education, research and learning programmes to improve quality and encourage and support innovation.**

#### **We will make sure people are supported and cared for at the end of life by health and social care professionals who have the right skills, expertise and confidence.**

Objectives for 2023/24 were to:

- Deliver training for all staff in caring for people with a learning disability and/or autism using the Oliver McGowan Mandatory Training tool
- Utilise the Practice Educator role to drive delivery of education and measure the role's impact
- Provide learning opportunities for Home Care Providers by developing a "community of practice"
- Drive digital skills within the organisation through the newly developed Digital Skills Programme.

Achievements include:

- Ensuring 95% compliance with the e-learning element of the Oliver McGowan training and working with Surrey Heartlands ICS to ensure our staff undertake the part 2 training, as soon as it is available
- Continuing to work with care homes, delivering events both online and in person, to share examples of good practice and discuss issues and challenges
- Continuing to roll out the Digital Skills Programme and launching the embedded IT programme on the IPU, where a member of our Digital team helps staff with queries they have, leading to improved patient care as colleagues enhance their digital skills
- Implementing the recommendations of the European Certificate in Essential Palliative Care (ECEPC) development project to improve the candidate administration process
- Reviewing and updating our eLearning platform to deliver an improved learner experience for our workforce and external learners
- Working with the Kent Surrey Sussex NIHR Clinical Research Network to deliver a successful project to support research governance in hospices across KSS.

## PRIORITY 4

**Enhancing our collaborative influence in palliative and end of life care through leadership and advocacy.**

**We will use our expertise and knowledge to improve end of life care for everyone facing death, dying, loss and bereavement.**

Objectives for 2023/24 were to:

- Continue to prioritise collaborations and partnerships that are most likely to lead to improvement in the quality of or access to end of life care
- Participate in research projects which influence the improvement in the way end of life care is delivered in all settings
- Explore with the Board and Senior Leadership Team (SLT) the extent to which the Hospice is comfortable developing a public affairs competency and participating in debates on topics where there is no clear consensus
- Share our expertise with others within the wider hospice sector, across healthcare systems in which we work and by presenting care and service developments at conferences and seminars.

Achievements include:

- Participating in the various governance groups that support the delivery of health and care in Surrey Heartlands and South West London ICBs
- Participating as a research site for the national CHELsea11 study, coordinated by the University of Surrey, to investigate the role of clinically assisted hydration at the end of life
- Supporting our NHS system partners during the extended “winter pressures” period by providing additional specialist clinical input and demonstrating that it could prevent unnecessary and unwanted hospital admissions and result in a better care experience for those benefitting from the service
- Lobbying for more resource to be invested in end of life care and for hospices to receive a greater percentage of NHS contribution to the costs of delivering care
- Presenting and exhibiting 6 posters at the Hospice UK annual conference – posters covered such diverse topics as: Safe staffing in a Hospice setting, Equitable care – Starter for Ten and how do palliative care social workers model and apply the concept of ‘safe uncertainty’?

## ACCELERATING STRATEGIC CHANGE

Our strategy is deliberately ambitious and aspirational. The Board and SLT recognised that if the Hospice is to succeed it will need to focus on sustainability in its widest sense (both financial and environmental) and develop greater organisational capacity, capability, and resilience – the organisation would need to embark on a period of transformational change. To support this, the Board set up a Strategic Development Reserve of £1.4 million in 2021 to accelerate progress.

The projects summarised below (some of which are referenced above) all involve a degree of transformational change. Some were focused on as key priorities, other addressed our financial sustainability or improving the way that we function (improving our operating model).

Investing in transformation requires long term commitment as projects and programmes will typically be delivered over multiple years. The following strategic change projects have been approved by the Board and started during 2023/24:

- Implementation of 'Virtual Wards' (Priority One)
- Refinement of our service design and pathways PHASE 2 – implementation of pre-bereavement carer pathway (Priority One and Two)
- Focussed delivery on one or more underserved communities (Priority Two)
- ECEPC development – implementation of the recommendations from the business scoping exercise (Priority Three)
- Investment in digital fundraising and marketing PHASE 2 – implementation of a six-month action plan focussing on 3 areas; retention, agile working, and data (financial sustainability and improving our operational model)
- Refreshing our shop estate – targeted rolling programme of shop refresh across the estate over and above our regular maintenance programme, to ensure they are great places to work, volunteer, shop and donate (financial sustainability)
- Lottery outsourcing – moving the lottery to an external provider (financial sustainability)
- Retail e-commerce – commissioning a scoping exercise to understand options and potential gains (financial sustainability)
- Developing our approach to data PHASE 2 – implementation of the prioritised data roadmap (improving our operating model)
- Creating more spaces for confidential clinical conversations and consultations (improving our operating model and Priority One)
- Developing our website – carrying out a strategic review and producing a roadmap for future investment (improving our operating model)
- Implementing a new Learning Management System (LMS) – supporting our growth aspiration within education and delivering enhanced staff and volunteer training (improving our operating model)
- Talent acquisition – redesigning the staff and volunteer candidate journey (improving our operating model)
- Customer Experience Service Review – refining administration processes for our income generation teams (financial sustainability and improving our operating model)

During 2023/24 we have continued to make capital investments in our building, through the Sustainable Building Fund the Board established in 2022. Details of the projects funded through this fund are reported in Note 5 on page 41.

# Objectives for 2024/25

## STRATEGIC CHANGE, FINANCIAL SUSTAINABILITY AND FUTURE FOCUS

As we enter the final year of the current strategic period, we will continue to invest in the transformation projects started over the previous two years and bring them to a conclusion, evaluating the benefits that have been realised:

- Implementation of 'Virtual Wards' (Priority One)
- Focussed delivery on one or more underserved communities (Priority Two)
- Refinement of our service design and pathways PHASE 2 – implementation of the bereavement pathway (Priority One and Two)
- ECEPC development – implementation of the recommendations from the business scoping exercise (Priority Three)
- Talent acquisition – redesigning the staff and volunteer candidate journey (improving our operating model)
- Implementing a new Learning Management System (LMS) – supporting our growth aspiration within education and delivering enhanced staff and volunteer training (improving our operating model)
- Customer Experience Service Review – refining administration processes for our income generation teams (financial sustainability and improving our operating model)
- Refreshing our shop estate – targeted rolling programme of shop refresh across the estate over and above our regular maintenance programme, to ensure they are great places to work, volunteer, shop and donate (financial sustainability).

We will continue to have a strategic focus on our income and expenditure to not only support our investment in the transformation projects above, but also to provide a secure and financially sustainable foundation on which to plan to meet the increasing palliative and end of life care need in our community. We value our NHS system partnerships and remain committed to demonstrating the return we deliver to the healthcare system and on the investment they and we are making. Informing our discussions with systems partners is the recent All-Party Parliamentary Group (APPG) enquiry on government funding for hospices. It recommends that ICBs must commit to delivering their statutory requirement and start by placing hospices on multi-year contracts, paying for the full cost of commissioned clinical services, and offering hospices the same annual increases as NHS services.

Nigel Seymour became our new Chief Executive on 1 March 2024 and we successfully recruited Sally Harris as the new Chair of the Board. Sally became a Trustee in July 2024 and will be appointed as Chair at the AGM in October 2024.

With new leadership in place, coinciding with this being the final year of our current strategic period, we will take the opportunity to look ahead and consider the challenges and opportunities to achieving our long-term vision and to provide focus for the next 5 years.

A constant between both this and the next strategic period is our overt and conscious commitment to celebrating difference and creating a culture of belonging at the Hospice, both for our colleagues and everyone in our community who needs to access our care and support. We will continue work to:

- Provide equitable access to our Hospice care for our local community
- Understand our employees' engagement through participation in the Birdsong survey
- Hold our employee and volunteer forums regularly to inform and consult with colleagues
- Promote our Speaking up Guardians and the role they have to support colleagues in raising concerns
- Have a specific focus on anti-racism and implement our anti-discrimination action plan, working with colleagues across the Hospice
- Hold our inclusion talks and celebrate different religious and awareness activities to help increase awareness and understanding amongst colleagues and demonstrate to our community that the Hospice is here to care for and support everyone.

While we explore the future, we are also committed to deliver against the identified areas of focus under each of the current strategic priorities.

**Priority one: We will develop and expand our specialist care capabilities. We'll focus on providing the right care by the right person at the right time and in the right place.**

In 2024/25 we will:

- Continue to embed our Patient Safety Incident Response Framework (PSIRF) plan into our approach to patient safety
- Appoint a Patient Safety Partner (PSP) to improve the voice of patients and the community who use our services in our approach to patient safety, so that service improvements are focused on what matters to them
- Introduce an e-prescribing system to improve patient safety and enhance care co-ordination, efficient communications and patient experience
- Deliver a sustainable medicines project to see if we can reduce drug wastage by changing our medication practices to be more sustainable.

**Priority two: We will empower and support people in our communities who are caring for people at the end of life. We'll make sure that everyone can make use of our services by providing accessible care and support.**

In 2024/25 we will:

- Connect with underserved and overlooked communities in the Royal Borough of Kingston, through a targeted project, with the aim of taking account of the intersectional nature of inequity of access to our current care
- Review our Compassionate Neighbour programme to ensure our systems support the work being carried out efficiently and to better demonstrate the impact of the programme on our communities
- Implement our new bereavement pathway to increase awareness for individuals, both those who are known to the Hospice and those in our wider community, so that they can self-refer into our service when they feel they need support
- Develop a new Wellbeing offer to roll out a new programme of sessions, increase collaboration with the Bereavement Team, tailor support for younger groups, work with GPs to enable direct referrals into the service and expand the support we offer to carers
- Continue to work with partner organisations to ensure people with learning disabilities or autism or both can access our care and support in ways that works for them.

**Priority three: We will continue to enhance our education, research and learning programmes to encourage and support an environment for innovation and excellent care.**

In 2024/25 we will:

- Streamline the administration of our ECEPC learners to increase capacity for more learners
- Develop an internal Continuous Personal Development (CPD) programme for our growing number of Non-Medical Prescribers
- Review our provision of Advanced Communications Skills Training (ACST) and work with system partners to review how our ACST is delivered to ensure the course is sustainable and scalable to meet future need
- Expand access to our specialist library by becoming a part of the Kent, Surrey and Sussex NHS libraries network to improve library access for our learners and partner organisations
- Continue to strengthen our partnership working to ensure our education is available to the health and social care workforce throughout our care area.

**Priority four: We will enhance our collaborative influence on palliative and end of life care, through leadership and advocacy, both locally and nationally.**

In 2024/25 we will:

- Continue to prioritise collaborations and partnerships that are most likely to lead to improvement in the quality of or access to end of life care
- Participate in research projects which influence the improvement in the way end of life care is delivered in all settings
- Share our expertise with others within the wider hospice sector, across healthcare systems in which we work and by presenting care and service developments at conferences and seminars
- Engage with those we care for and listen to their lived experience and encourage their active participation to help better influence and shape the services we offer.

We recognise that we have again set ourselves an ambitious work programme, for the final year of our current strategic period whilst planning for the next, and we will continue to support our colleagues to help us achieve it. This will include further investment in education, training and leadership development so that people have the skills to be able to do their best work, and our wellbeing support programme so that they have the resilience.

# Structure, governance and management

## Our Structure

Princess Alice Hospice was incorporated as a company limited by guarantee on 25 November 1981 and is governed by its Articles of Association. We are registered with the Charity Commission in England and Wales. Our registered office is at West End Lane, Esher, Surrey KT10 8NA.

## Our Objectives

We are an independent charity providing free palliative and end of life care to people on our in-patient unit and in their homes or care settings. We cover a large part of Surrey, south west London and Middlesex, delivering person-centred, compassionate care to patients, families, carers and close friends before, during and after death.

Our Education and Research team aims to improve end of life care knowledge and to steer best practice across the wider health and social care landscape.

This work is only made possible by fundraising and community support alongside the NHS funding we receive each year.

## Our Trustees

Our Board of Trustees is responsible for overseeing the Hospice's strategy and performance. Sean Hilton has served as Chair since September 2021, with Deborah Bowman as Vice-Chair since 2022.

The Trustees are the directors of Princess Alice Hospice for the purposes of the Companies Act 2006. They are not paid. There is a short biography of the Trustees on pages 51–52.

The Board meets regularly throughout the year to set and review strategy, approve the annual budget, review policies and maintain oversight of all Hospice operations. A Strategy Day is held annually to allow more in-depth strategic discussions and develop future plans. Members of the SLT attend Board meetings to report back on performance and progress against strategic objectives. In-depth 'spotlight' sessions and business reviews are delivered by members of the management team, a practitioner working in front line services or a family member representing 'patient voice'. This allows the Board to gain a deeper understanding of the organisation.

## Board Committees

The Board delegates powers and responsibilities to Committees, details of which are given below. The Board believes that this enables more detailed discussion and understanding of key areas of the organisation. Each Committee has terms of reference defining membership, responsibilities and delegated authority. These are reviewed annually by the Committee and approved by the Board. There is an annual process of review to give the Board assurance that the Committees are working effectively. Minutes of Committee meetings are on the agenda for the following Board meeting and Committee Chairs provide a summary report for the Board on the major issues discussed and decisions taken.

**The Clinical and Community Quality Assurance Committee**, chaired by Heather Patel, is responsible for overseeing clinical strategy, education and research and community engagement and support. It provides assurance on the development, implementation, safety and effectiveness of the services delivered by the Hospice. It monitors activity, performance and risks against the annual business plan, raising issues to the Board where appropriate. It also oversees relationships with our health and social care partners regarding grants, contracts and service level agreements. The Committee monitors health and education policy and regulation and keeps the Board informed as appropriate.

**The Finance and Resources Committee**, chaired by Despina Don-Wauchope, is responsible for overseeing Hospice finances, investments, capital expenditure, estates and infrastructure, HR and volunteering and marketing and communications activity. It monitors performance against budget and forecast during the year, reviews and recommends to the Board the annual budget and financial strategy. It oversees the investment of the Hospice's funds, recommending on the appointment of an investment manager and reviewing them annually.

**The Income Generation Committee**, chaired by Gail Cookson, oversees all income generation activities (except for NHS grants) including the Hospice's retail portfolio. It reviews the development, implementation and effectiveness of fundraising and retail plans and strategies. It monitors compliance with all regulatory requirements impacting the Hospice's income generation activities.

**The Remuneration and Nominations Committee**, chaired by the Board Chair, has a membership of the Committee Chairs, the Vice-Chair of the Board, and is attended by the CEO and Company Secretary. It meets twice a year to consider the skill mix of the Trustees, Committee membership and succession planning. Once a year it reviews the performance of the SLT and the CEO and makes recommendations on their remuneration. The Committee also oversees the recruitment process for Trustees, Advisory Members and the CEO.

**The Audit and Risk Committee**, chaired by Tim Hewens, oversees risk management, external audit and internal risk and quality reviews. It reviews the management of systems for internal control and advises the Board on exposure, mitigation and lessons for continuous improvement. It manages the relationship with the external auditors, reviews feedback on their performance and value for money and advises on reappointment as appropriate.

### **Trustee and Committee advisory member recruitment**

The Board believes it is vital to get a mix of Trustees with the right skills, experience and knowledge to support the Hospice to deliver its charitable objectives. Trustees are initially appointed for two years and may then be reappointed for up to two more four-year periods (up to a maximum of 10 years). The Board has a good gender balance and is committed to increasing the representation of people from ethnic minority backgrounds, different perspectives and life experience as part of our Inclusion Strategy.

At the AGM in September 2023 the Board said farewell to Karen Roberts, who had served five years as a Trustee, and Tatenda Mazivanhangha, who had served one year. In March 2024 the Board said farewell to Jamie Tolentino-Deludet who stepped down as a Trustee after serving over three years. The Board recognised and thanked them all for their contribution to the Hospice.

An external recruitment campaign was carried out in February - May 2023 focussed on recruiting Trustees with senior finance and fundraising experience. The Board was delighted to welcome Fidelma Hatton, Raja Ram and Scott Thomson as Trustees to ensure that the Board has the appropriate mix of skills when some of the long standing Trustees step down at the end of their tenure. Ros Irving was appointed as a Trustee in April 2023, her appointment having been agreed in March 2023.

The Remuneration and Nominations Committee reviewed the skills and knowledge of current Board members in November 2023 and identified the priority to be succession planning for the current Chair, Sean Hilton, who steps down at the AGM in 2024 after serving 12 years as a Trustee. A recruitment campaign was launched in March 2024 and Sally Harris was appointed as a Trustee in July 2024. Sally will take up the role of Chair at the AGM in October 2024.

In addition to Trustees, the Board may invite individuals to become advisory members to Committees. This is typically someone with relevant specialist expertise in the Committee's area of responsibility. These appointments are normally for an initial period of up to two years. During this time, the person may be invited to become a Trustee, or they may continue as a committee advisory member. Their appointment may be renewed by mutual agreement, and the Board may end the appointment at any time. During the year, there were six committee advisory members serving on Board Committees.

There were no new committee advisory members recruited during the year. Details of the current advisory members can be found on page 52.

New Trustees and advisory members receive an induction and training specific to their role, co-ordinated by the SLT lead for Committee and the respective Committee chair. They are also invited to attend the induction session offered to all new employees and volunteers. The Chair and Vice-Chair follow up individually with newly recruited Trustees and advisors to ensure that they feel supported and informed.

### **CEO appointment**

We said farewell to Nicki Shaw, our CEO for over 12 years, in December 2023. Nigel Seymour, previously Deputy CEO, served as acting CEO during the recruitment process to replace her. In the interim his responsibilities were taken on by other members of the SLT.

A rigorous recruitment campaign was carried out, led by an external agency, which attracted a good response and a high calibre of applicants. The Board were very pleased to announce in March 2024 that Nigel had been the stand-out candidate for the role and had been appointed as the new permanent CEO, taking up his post from 1 March 2024. Nigel has been with the Hospice for 16 years and brings a wealth of experience to his new role.

### **Senior Leadership Team**

The Hospice's internal management structure is made up of eight directorates, each led by a member of the team.

These directorates are:

**Patient care and communities** – responsible for in-patient care, community care, wellbeing services, therapies, social work, bereavement care, spiritual care and community engagement and support.

**Medical** – responsible for palliative medical care in all settings and covering doctors, including consultants.

**Finance and operations** – responsible for finance, company secretarial and governance, executive support, facilities, front of house, health, safety, environment and business continuity, housekeeping and catering.

**People services and volunteering** – responsible for human resources, volunteering and organisational development.

**Income generation** – responsible for fundraising, retail and other income generation activities.

**Marketing, communications, digital and performance** – responsible for marketing, external and internal communications, ICT, digital, data and performance.

**Skills, knowledge and research** – responsible for internal and external education programmes and research activities.

## Financial review

Our main income streams continue to be legacies, NHS funding, fundraising and retail, which are discussed in more detail below.

### Legacies

Legacies accounted for 48% of our net income in 2023/24 (2023: 41%). We base our budgeting and projections for legacy income on bespoke reports commissioned from Legacy Foresight, a specialist legacy sector analysis company. We are also members of the Hospice Legacy Circle, which is a consortium of hospices that come together to learn and share knowledge about legacies. We use information available to us from notifications, solicitors and estate accounts to produce monthly KPIs to monitor future income. This should enable us to identify whether any fluctuations in legacy income are short-term, or part of a longer-term trend, so that we can adapt our plans accordingly.

### NHS grants

NHS grants accounted for 20% of our net income (2023: 22%). These are block grants based on historical practice and not related to the level of clinical activity undertaken. In 2023/24 we had one-year agreements with Surrey Heartlands ICB and South West London ICB. The Board has assumed in its strategic plans that there would not be a significant drop in this source of income over the next few years.

### Fundraising and retail

Our local community continues to support us generously in so many different ways, fundraising for us, responding to our campaigns and appeals and taking part in events. Fundraising remains challenging as the cost of living crisis continues to impact on the ability to give. Income from donations was £2,385,034 (2023: £2,027,391). This includes £192,775 of donations resulting from the outsourcing of our lottery to Local Hospice Lottery. Income from events remained stable achieving £633,026 (2023: £624,493) but still below the pre-pandemic levels of over £800,000.

Our retail shops made a net contribution of £950,069 (2023: £1,029,052). This was only possible due to the hard work of the dedicated employees and volunteers in our retail division.

As part of our strategic plan for the future of our retail portfolio, we closed our Chessington store in July 2023. We also commenced a programme to give some of our shops a refresh. During the year we completed works at Raynes Park, East Twickenham, Weybridge and Claygate. We also invested in e-commerce and hope to grow this income stream for the future.

## Going concern

The Board and the Finance and Resources Committee closely monitors the ongoing impact of economic uncertainty on both short and longer-term operations. A range of budget scenarios have been considered and cash flow forecasts prepared in response to scenario planning. The Trustees are satisfied that, even under the worst-case scenario considered, there are sufficient funds in current bank and building society accounts, together with investment funds, to continue operating and meet liabilities as they fall due for the foreseeable future.

The Board's view, therefore, is that the Hospice's balance sheet is sufficiently robust to provide resilience and that our reserves should allow the Hospice time to respond with reduction of services and cost savings if income projections indicate a significant reduction over the next three years.

## Reserves

As noted above, 48% of our net income comes from legacies. This income stream is hard to predict for any one year and can be subject to significant variation. Our patients and families rely on us for end of life care and the majority of our costs are staff costs. It would not be possible for us to cease or substantially reduce our activities immediately so we hold higher reserves than charities who do not directly provide services. The Board maintains scrutiny over the external environment and uncertainties related to all of our sources of income. We carry out financial planning and produce a three-year projection of income and expenditure, cash and reserves.

The Trustees have set aside funds in a designated Running Costs Reserve to meet future charitable expenditure in the event of a significant short-term drop in income. This has a target of nine months' (plus or minus three months') budgeted charitable expenditure for the year ahead. The balance on this reserve at the year-end represented 12 months (2023: 12 months) of the Hospice's budgeted charitable expenditure for 2024/5.

The Board has approved a deficit budget again in 2024/25 and the current projection shows a return to a balanced budget in cash terms by 2025/26. There is still a degree of uncertainty around this; we have continued to see the impact of inflation on the cost of consumables and services, although there are signs that this is slowing. Despite discussions with our two ICBs, we have not secured any commitment to a meaningful increase in our NHS funding and we already receive considerably less than the average for hospices. We have to make up the shortfall from voluntary income and the cost of living crisis continues to impact people's ability to give.

The Trustees have established a designated fund, the Strategic Development Reserve, to support the delivery of the Hospice's strategic objectives. Expenditure of £527,319 was incurred from this fund in 2023/24 (2023: £230,795) for the delivery of fourteen strategic change projects. Some of these projects will continue in 2024/25. No further new projects are currently planned but business cases can be put to the Board at any time during the year.

The Trustees have established a designated fund, the Sustainable Building Development Fund, to fund sustainable building development initiatives. Expenditure of £107,867 was incurred in 2023/24 (2023: £102,218) on the installation of solar panels and upgrading older offices, including installation of LED lighting. There are a number of projects on the list for 2024/25, pending approval by the Board.

Notes 5 to 7 of the Financial Statements (see page 43 below) provide more detail on these and other reserves.

## **Investments**

As set out in the Articles, the Trustees may invest the Hospice's reserves in banks and building society deposits, stocks, funds, shares or other securities they feel to be appropriate. The majority of the Hospice's investments are managed on a discretionary basis by Cazenove Capital Management, a firm of professional investment managers. As at 31 March 2024, the Investment Portfolio totalled £3,316,711 (2023: £3,069,791). The market value of the Investment Portfolio increased by £187,033 (2023 decreased by: £172,013) during the year.

Currently the only ethical restriction imposed by the Board is that there must be no direct investment in any securities issued by tobacco companies.

We have adopted a socially responsible approach to investment allowing ethical considerations to be taken into account whilst ensuring there is no significant detrimental impact on the investment return. Investments should deliver the best return for the Hospice, adhere to the agreed risk profile and also show compliance with any Environmental, Social and Governance (ESG) principles that are agreed by the Board. Due to market volatility in 2023/24 and a good rate of return on cash, it was not considered prudent to invest in further funds. The Board will be reviewing the Investment Policy during 2024/25 and as part of this review will be giving consideration to investing in ethical and responsibly screened multi asset funds.

The Finance and Resources Committee and our investment manager regularly review if the performance of the investments is meeting the Hospice's investment policy.

More details about our investments are in Note 11 of the Financial Statements (see page 46 below).

## **Environmental, Social and Governance (ESG)**

The three pillars of ESG are:

- Environmental – how we interact with and impact our environment
- Social – how our charitable activities impact our community and our workforce
- Governance – how we ensure that as an organisation we are run in accordance with the highest standards of good governance.

As a charity we are established for public benefit. We are committed to making a positive contribution to the environment, delivering our services responsibly and in accordance with the highest standards of good governance. We continue to develop our approach to ESG and identify priorities in each area which are most closely related to our charitable purposes and will make the most difference for our beneficiaries.




## Environmental






We are committed to being environmentally sustainable and embedding this thinking into the way that we work. In this section we present our Streamlined Energy and Carbon Reporting (SECR) report on our greenhouse gas (GHG) emissions, look at the actions we have taken in the year and our future plans.

### SECR Reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implement the 'Streamlined Energy and Carbon Reporting (SECR)' requirements which require the Hospice to report on its Scope 1 and 2 greenhouse gas emissions in relation to use of gas and electricity. It also voluntarily reports on some Scope 3 emissions, namely business mileage, working from home and water / sewer usage. The report also includes the methodology used to calculate the emissions, as well as benchmarking intensity ratios that will allow ongoing comparisons in future years. Information on energy efficiency improvements is also presented.

The data below covers the latest qualifying financial year 2023/2024 and the previous report year 2022/2023 for comparison. Reference to the 'Hospice' means the main Hospice building, not the organisation as a whole.

Emissions: Scope 1				
Emission Activities	Emissions (tCO <sub>2</sub> e)		Total kWh	
	23/24	22/23	23/24	22/23
	134.52	143.10	747,339.00	795,022.18
	12.40	17.25	53,071.01	72,258.31
<b>Totals</b>	<b>146.92</b>	<b>160.35</b>	<b>800,410.01</b>	<b>867,280.49</b>
Data sources:				
<ul style="list-style-type: none"> <li>▪ Gas and PAH vehicle fuel invoices</li> </ul>				
Emissions: Scope 2				
Emission Activities	Emissions (tCO <sub>2</sub> e)		Total kWh	
	23/24	22/23	23/24	22/23
	182.21	194.10	879,910.00	1,003,733.90
<b>Total</b>	<b>182.21</b>	<b>194.10</b>	<b>879,910.00</b>	<b>1,003,733.90</b>
Data sources:				
<ul style="list-style-type: none"> <li>▪ Hospice - smart meter</li> <li>▪ Retail – supplier invoices</li> </ul>				

Emissions: Scope 3				
Emission Activities	Emissions (tCO <sub>2</sub> e)		Total kWh	
	23/24	22/23	23/24	22/23
	24.89	26.73	103,334.86	108,334.40
	1.64	1.51	N/A	N/A
	1.76	2.61	N/A	N/A
	3.27	2.76	N/A	N/A
	15.77	17.76	N/A	N/A
<b>Totals</b>	<b>47.33</b>	<b>51.37</b>	<b>103,334.86</b>	<b>108,334.40</b>
Data sources:				
<ul style="list-style-type: none"> <li>▪ Business mileage from expenses claims</li> <li>▪ Water usage and treatment volumes taken as 'chargeable volumetric values (m<sup>3</sup>) from supplier invoices – water treatment volumes vary between 95% to 100% of water usage</li> <li>▪ Working from home (full time equivalent hours) from People Services database</li> <li>▪ Electrical transmission / distribution based on Scope 2 data</li> </ul>				
Totals: All Scopes				
Scopes	Emissions (tCO <sub>2</sub> e)		Total kWh	
1	146.92	160.35	800,410.01	867,280.49
2	182.21	194.10	879,910.00	1,003,733.90
3	47.33	51.37	103,334.86	108,334.40
<b>Totals</b>	<b>376.46</b>	<b>405.82</b>	<b>1,783,654.87</b>	<b>1,979,348.79</b>

### Intensity Ratios: Using organisational data, i.e. Hospice + Retail

Intensity Ratio	2023/24	2022/23
Intensity ratio = tCO <sub>2</sub> e / fe	1.25	1.35
Intensity ratio = tCO <sub>2</sub> e / unit sold	0.0003 (≅ 0.3 kgCO <sub>2</sub> e / unit sold)	0.0003 (≅ 0.3 kgCO <sub>2</sub> e / unit sold)
Intensity ratio = tCO <sub>2</sub> e / service user	0.13 (129.72 kgCO <sub>2</sub> e /service user)	Not measured in 2022/23
<b>Notes</b>		
<ul style="list-style-type: none"> <li>▪ The tCO<sub>2</sub>e intensity factors are calculated using the Hospice and Retail combined total emissions</li> <li>▪ A new intensity factor of tCO<sub>2</sub>e / service user has been introduced in 2023/24 – service user includes patients, carers and bereavement support users cared for by the In-Patient Unit, Hospice at Home, Wellbeing Centre and Bereavement Services</li> </ul>		

## General Notes on the Emissions Reporting

1. There was an organisational reduction of 29.36 tCO<sub>2</sub>e (approximately 7%) emissions this reporting year compared to the previous reported year.
2. Emissions from all reported Scopes have reduced by 8.38% (Scope 1), 6.13% (Scope 2) and 7.86% (Scope 3). There were emission increases specifically in water usage, likely due to inaccurate billing information, and also in working from home, due to an increase in the number of staff hours working from home.
3. Business mileage has been more accurately accounted this reporting year due to changes in the expenses claim form asking for the vehicle fuel types, so emission factors can be more accurately assigned.
4. The Hospice continues to account for around 63% of organisational emissions, and Retail 37%. It has been assumed that the 'working from home' emissions relate specifically to the Hospice and have therefore been assigned solely as Hospice emissions.
5. The intensity factors indicate a reduction of 100 kgCO<sub>2</sub>e per full time equivalent (fte).
6. There was no change in the intensity factor for CO<sub>2</sub>e emissions per unit sold, which remained at 0.31kgCO<sub>2</sub>e / unit sold.
7. Data from invoices was predominantly based on the suppliers' estimated usage, so actual data accuracy is questionable.
8. Some of the mitigation factors responsible for the reduction in CO<sub>2</sub>e emissions are discussed in the Energy Related Mitigation Measures section below.

## Methodology

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition March 2004)
- The UK Government GHG Conversion Factors for Company Reporting 2023 (for the 2023/2024 reporting year)
- HM Government: Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)
- The Hospice follows a rolling base year comparative option to more easily compare year on year environmental performance.

## Energy related mitigation measures

We continue to implement recommendations from the Hospice's Energy Savings Opportunities Scheme (ESOS) Report and other energy saving initiatives highlighted below. Recommendations from the next ESOS Report will inform our action plan, due to be published by December 2024.

### Renewables (photovoltaic (solar) panels)

The solar panel system installed in June 2023 (61.34kWp) has generated 55,568 kWh in the first twelve months of operation, which is equivalent to approximately 8% of the total electricity usage in the Hospice building. Associated data from the supplier indicates environmental benefits to be the equivalent of planting 31 trees and saving 55.4tCO<sub>2</sub>.

### Lighting

We are continuing with our programme to replace older, energy inefficient lighting, eg fluorescent lights, with energy efficient LED lights. Currently around 90% of the main Hospice building has been upgraded. We are also upgrading the lighting in our retail shops as the opportunity arises and as part of a planned refresh programme. Motion sensors are being installed around the Hospice in areas such as stores, toilets, changing rooms and corridors to reduce wastage.

## **Heating, Ventilation and Air Conditioning**

We are actively procuring more efficient condensers which supply most of the Hospice's heating and cooling, with the aim of reducing energy consumption. This will also allow for temperature to be centrally controlled to manage unreasonable demands on the system. We continue with our planned preventative maintenance work to maximise system insulation and efficient operation, including identifying key components for replacement where they cannot maintain the required energy efficiency levels.

## **Energy Monitoring and Management**

When we renewed our energy contracts, we streamlined the energy procurement process for both gas and electricity across all Hospice premises, including the retail estate. This optimised our buying power and supports cohesive energy management. Our electricity contracts are zero carbon as standard, with 72% from renewable sources and 28% from nuclear generation.

Using available data, we will look at energy usage monitoring and how this can be used to promote/change behaviours and consumption, e.g. identifying and challenging data anomalies and prolonged estimated invoices.

## **Other Energy Reduction Measures**

Use of the two electric vehicle charging points continues to increase and has resulted in an associated 4.46tCO<sub>2</sub> emissions that have been avoided. We are replacing our pool car, used extensively by our Night Response team and other clinical colleagues during the day, with a fully electric vehicle, due to be delivered in September 2024. We are scoping the installation of an additional EV charger exclusively for the two Hospice vehicles as they will both be electric.

## **Transport**

We offer flexible working arrangements including hybrid working which reduces travel to and from the Hospice building. The majority of our meetings and education courses are also hybrid to reduce unnecessary travel. We have invested in dedicated acoustic privacy 'pods' to enable our clinical and medical staff to offer video consultations to patients and families, avoiding the need for them to travel to the building.

We will continue to encourage alternative travel options by promoting the Hospice Cycle to Work Scheme and safe walking routes and will actively seek support for more accessible bus routes and times for our staff, especially our shift workers.

## **Other**

Our 'Environment Working Group' continues to promote environmental awareness and behaviours within the Hospice and to capture and develop improvement ideas and initiatives.

## **Future plans**

In 2024/25 we will be looking at how we integrate ESG considerations into our decision making and developing an action plan for the next five years. We will continue to partner with relevant bodies such as the other charities and the NHS to improve our environmental planning and performance. We are members of Hospice UK's 'Environmental Working Group' and part of the PallCareSusNet 'Green Framework' Development Working Group.

## Social

We are committed to the highest standards of ethical behaviour and practices towards our patients, families, visitors, staff and volunteers. We also make a wider beneficial contribution towards human health and wellbeing through our education and research programmes. You can find further details on page 8 in our Strategic Report.

### Public benefit

As a charity the Hospice is established for charitable purposes and for the public benefit. The Trustees give careful consideration to the Charity Commission's guidance on public benefit when setting the Hospice's aims and objectives and planning activities. Access to our services is on the basis of need and open to anyone via referral from a healthcare professional, or, in the case of bereavement support, self-referral. There is no charge to patients or their families for any of our current care services. Education is one of our charitable purposes and our education programme is delivered at or below cost, and in some cases for no charge.

### Our people

Our people are at the heart of what we do, we could not deliver outstanding care or raise the funds we need without them. Each year we continue to be amazed by the hard work, commitment and extraordinary contributions of our employees and volunteers that make such a difference to the people under our care. We continue to see uncertainty both at home, with the cost of living crisis, and abroad, with conflict in many parts of the world. We know that this has an impact on our workforce. We place the highest priority on wellbeing, and in 2023/24 we put in place an enhanced employee assistance programme through Health Assured. Each year we deliver a Wellbeing Month with a variety of activities focussing on mental, physical and financial health. This is supported by a regular weekly email and a dedicated page on our People Services intranet hub.

We have an employee forum, 'Our Voice', where employee representatives from across the organisation meet with management and Trustees to hear about important issues affecting the workforce and to raise concerns from the area they represent. The forum is held quarterly, and minutes are made available on our intranet, SharePoint.

In 2023/24 the Hospice employed 411 people (2023: 405), the equivalent of 300 full-time employees (2023: 297).

We are immensely grateful for the support of our amazing volunteers who work alongside our employees. We could not deliver our services the way we do without them - they provide enormous added benefit to the Hospice and the people we help.

Around 1,225 (2023: 1,250) volunteers support the Hospice in a variety of different roles. Some volunteer directly with our patients and families, as ward support volunteers, compassionate neighbours, bereavement support volunteers or complementary therapists, others support us with administrative tasks. Volunteers man our reception and coffee shop and keep our gardens looking beautiful throughout the year.

We could not raise the essential funds we need without volunteers. The largest group (around 530) support our retail operation, helping us to keep our shops open six or seven days a week or supporting us at the retail hub in Hersham. Other volunteers are involved in fundraising, including the Friends' Committees, which organise events in the community and promote the work of the Hospice to raise vital funds.

We also welcome volunteers from local companies, who donate their time for a day to support in the Hospice or in the shops, and people who can volunteer their skills and experience to support us with specific projects.

We recruit volunteers through advertising. They attend an induction programme and receive initial and ongoing training. Service users such as patients, families and carers, who have expressed an interest in participating in service design, work with us on steering groups and in other activities where they can influence areas of service delivery.

## **Remuneration Policy**

We recognise that we have a duty to deliver our services effectively and maximise the use of our resources. To do this we need to attract and retain suitably qualified people with the right skills, knowledge and experience and pay them fairly and responsibly.

The market comparator for the majority of our clinical roles is the NHS. We directly employ medical consultants, doctors, nurses and other allied professional healthcare staff and in order to recruit and retain qualified and experienced professionals we pay them at a rate equivalent to the relevant national scale.

For the remainder of our roles, when setting salaries, we take into account the knowledge, skills, experience and effort needed for the job and market forces affecting recruitment, which may be local or national. We also benchmark against available information such as comparable roles being advertised locally and charity salary surveys. We take part in such surveys ourselves and benchmark against a range of our peers.

## **Governance**

We aspire to be an organisation that operates to the highest standards of good governance. The Board has adopted the Charity Governance Code (the Code) as a tool to support continuous improvement. We carry out an annual self-assessment against the Code to identify priorities for improvement in the year ahead.

Governance is also about how we manage risk, and how our culture and values support us to operate ethically and to be open and honest. You can find further details on pages 28 and 29 of this report.

At a Strategy Day in October 2023 the Board reviewed the progress made since the Digi-Board Governance Review (the Review) in 2022. The Review had found that we are a well-run charity; our ratings were high both in absolute terms and in comparison to Digi-Board's "All Charities Benchmark". A small number of areas for improvement had been identified and the Trustees were pleased to note that action had been taken in all of these, with issues either resolved or in progress.

Equality, diversity and inclusion remain a strong priority for the Board and the Hospice. We are continuing to implement the Inclusion Strategy agreed by the Board in 2021. We actively seek to attract a diverse pool of applicants for Trustee roles, in terms of gender, ethnicity and background. We continually review our processes and procedures to ensure that there are no barriers to diverse recruitment and that we provide a good level of support to new Trustees and committee advisors during their induction period.

## **Statement of Trustee's responsibilities**

The Trustees (who are the Directors of the Hospice for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in line with the law and the regulations that apply. Under company law, the Trustees must prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare such statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). By law, these statements must give a true and fair view of the Hospice's finances and of the income and expenditure for the financial year.

When preparing these financial statements, the Trustees must:

- Choose suitable accounting policies and follow them consistently;
- Keep to the methods and principles in the Charities' Statement of Recommended Practice (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a 'going concern' basis, unless the Hospice is unlikely to continue in business.

The Trustees must keep proper accounting records that disclose the Hospice's financial position to a reasonable level of accuracy at all times and make sure that the financial statements comply with the Companies Act 2006. They are also responsible for protecting the Hospice's assets and taking reasonable steps to prevent and detect fraud and other unusual activity.

The Trustees believe they have taken all the necessary steps to make the auditors aware of any relevant audit information and have given the auditors a written undertaking to that effect. They also believe that they have identified the major risks that the Hospice faces. These have been reviewed, and systems have been put in place to reduce these risks as far as possible.

## **Auditor**

Forvis Mazars LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

# Fundraising Regulation

Princess Alice Hospice is registered with the Fundraising Regulator (FR) and committed to adhering to the Code of Fundraising Practice. We review compliance through audit and monitoring feedback, and take corrective action where required.

## Standards and monitoring

We are committed to following the highest ethical standards and ensuring a quality supporter experience. We have detailed policies and procedures in place that in many cases go beyond the minimum requirements for the sector, and we regularly monitor ourselves and our agencies through a range of methods (including regular internal audits and call listening). This helps ensure all Hospice fundraisers, and those who work on our behalf are aware of, and adhere to, our high standards. Some of our fundraising activity is conducted on our behalf, by carefully selected professional fundraising agencies. We also work with agencies to telephone existing supporters to talk about their donation and, on some occasions, to ask for a further donation. We work very closely with our agencies to make sure they represent our work and our organisation to the highest standards. None of our fundraisers, whether employed by us or one of our agencies, are paid on a commission basis.

## Complaints

We report our complaints on a calendar year basis to comply with the Fundraising Regulator's requirements. From tens of thousands of transactions, the number of complaints we received for the 12 months to 31 March 2024 regarding fundraising was six (2023: four).

## Managing communications

Most people who donate to us want to know how their money is making a difference. We ask whether they would like us to keep in touch with them so we can update them on our work and how they've helped us. From time to time, we ask supporters if they would like to support us further – for example, by increasing their donation or by taking part in a particular event. Sometimes, we need to share information with authorised people or organisations so they can deliver services. If this is the case, we only give them the information they need to do so – and we always make sure that they will protect information with security and confidentiality processes equivalent to ours.

We ask supporters how they would prefer us to communicate with them. We give them the option to let us know if they prefer less contact or no longer wish to hear from us, and always respect their wishes. We never share, swap, rent or sell our supporters' details to any other charities or third parties for marketing purposes.

## Our Fundraising Promise

We will commit to high standards.

We will be clear, honest and open.

We will be fair and reasonable.

We will be respectful.

For further details please see our privacy policy at [www.pah.org.uk](http://www.pah.org.uk)

# Principal risks and uncertainties

**The Audit and Risk Committee (A&RC) oversees the Hospice's risk management and governance processes on behalf of the Board.**

The Hospice maintains an organisational risk register with risks assigned to the SLT lead for each area of business. The SLT reviews the register on a regular basis and risks can be escalated or de-escalated at any time, informed by the individual directorate risk registers that sit below it.

The organisational risk register helps us to prioritise risks in terms of the effect they might have and how likely they are to occur. The register also identifies the controls, systems and procedures in place for mitigation. Each Trustee Committee considers whether anything in their discussions has impacted scoring of any risks.

The top scoring risks on the organisational risk register are lifted onto the Main Risk Register. This has six risk areas that the Board feels impact the Hospice most, but other persistent high scoring risks are also monitored. The A&RC reviews and monitors the risk registers in detail at each meeting and risk is a standing item on every Board agenda. The Board formally reviews and approves the risk register annually.

We have seen a gradual reduction in the rate of inflation impacting goods and services. During 2023 we re-negotiated our energy contracts achieving a saving on the previous rate. Recruitment and retention of the right people remains a challenge. Our NHS funding has not kept pace with inflation, particularly staff costs, and this is a concern for the Board in terms of sustainability for the future.

## **Our Main Risk areas are:**

**Income – inability to generate sufficient income to deliver our charitable activities.** We have diversified our income streams, monitored our finances and cash position closely and have an appropriate level of reserves to withstand short term funding fluctuations. If we identify a longer-term trend of falling income, our reserves will ensure continuity of service provision whilst we seek other sources of funding or implement an appropriate cost reduction programme.

**People – inability to recruit and retain the people with the right attitude, skills and knowledge we need across the organisation.** We carry out workforce planning and monitor supply and demand carefully, introducing new roles and diversifying skills and competencies to make scarce resources go further. We carry out employee satisfaction and wellbeing surveys and use the results to identify where we need to make improvements.

**Culture/morale – inability to align our culture with changes that we need to make and that are being made in the environment within which we work.** The Board and SLT recognise that our people are at the heart of all we do and that it is essential that our employees and volunteers understand what is important to us, our patients and families and the communities we work with. We are open and transparent in our communications, share our business decisions and rationale and take steps to ensure that the organisational strategy is known and understood throughout the organisation. We monitor the effectiveness of these steps by conducting regular employee and volunteer engagement surveys.

**Health and Social Care Environment – the risk that changes in the health and social care environment will impact on our NHS funding and/or our ability to continue to deliver palliative and end of life care and support.** Senior colleagues work in partnership with health and care professionals and organisations across local health economies, demonstrating the impact of the care that we deliver. As new structures emerge, we take every opportunity to ensure that we have effective representation and continue to advocate for the needs of patients facing the end of life.

**Reputation – risk of reputational damage.** As a charity our reputation is of vital importance. We have a comprehensive set of policies and procedures in place to ensure compliance with best practice and legislation. All comments and complaints are responded to and investigated promptly to ensure that lessons are learned for organisational improvement. This is supported by our communications strategy. In 2021/22 the Hospice was inspected by the CQC and achieved an overall rating of ‘Outstanding’ for the second consecutive time.

**Business continuity – risk of fire, flood or other environmental events that impact on our ability to operate.** Our business continuity plan is kept under review by a steering group made up of key service managers. This ensures that our contingency plans for maintaining services and operations are robust and up to date. We have a disaster recovery server with a dedicated internet connection which can be brought online very quickly to ensure continued access to patient records and other business critical information. Staff receive regular training on dealing with emergency situations, including evacuation of the premises if necessary. Elements of the plan are tested on a regular basis.

Approved by the Board of Trustees on 25 September 2024 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Sean Hilton', with a stylized flourish extending to the right.

Sean Hilton  
Chair, Board of Trustees, Princess Alice Hospice

# Independent auditor's report to the members of Princess Alice Hospice

## Opinion

We have audited the financial statements of Princess Alice Hospice (the 'charity') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity and the group's affairs as at 31 March 2024 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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 other information comprises the information included in the Strategic Report and Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within 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 and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

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

### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 25, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in

accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006, the Charities Act 2011 and the Charities Statement of Recommended Practice.

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

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

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

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

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

### **Use of the audit report**

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

*N J Wakefield*

Nicola Wakefield  
(Senior Statutory Auditor)  
for and on behalf of Forvis Mazars LLP  
Chartered Accountants and Statutory Auditor  
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 1 October 2024

# Consolidated statement of financial activities (including income and expenditure account)

For the year ended 31 March 2024

Consolidated	Notes	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds 2024	Total funds 2023
		£	£	£	£	£	£
<b>Income</b>							
<b>Donations and legacies</b>							
Donations	1.4	2,132,529	-	252,505	-	2,385,034	2,027,391
Legacies	1.4	5,507,951	-	-	-	5,507,951	4,116,775
NHS grants	1.4	2,232,036	-	-	-	2,232,036	2,178,440
<b>Other trading activities</b>							
Retail shops	2	6,890,465	-	-	-	6,890,465	6,989,644
Fundraising events	1.4	633,026	-	-	-	633,026	624,493
Trading subsidiaries	3	378,118	-	-	-	378,118	677,252
<b>Investments</b>	1.4	299,523	-	-	29,444	328,967	160,691
<b>Charitable activities</b>							
NHS service funding	1.4	280,643	-	-	-	280,643	474,013
NHS continuing healthcare funding	1.4	87,064	-	-	-	87,064	87,793
Education	1.4	283,277	-	-	-	283,277	277,580
<b>Other income</b>							
Other income	1.4	56,078	-	-	-	56,078	33,457
<b>Total income</b>		<b>18,780,710</b>	<b>-</b>	<b>252,505</b>	<b>29,444</b>	<b>19,062,659</b>	<b>17,647,529</b>
<b>Expenditure</b>							
<b>Expenditure on raising donations and legacies</b>	4	1,227,065	126,911	-	-	1,353,976	1,141,813
<b>Expenditure on other trading activities</b>							
Retail shops	2 & 4	5,805,256	135,140	-	-	5,940,396	5,960,592
Fundraising events	4	154,640	-	-	-	154,640	159,607
Trading subsidiaries	3 & 4	196,021	-	-	-	196,021	306,098
<b>Total expenditure on raising funds</b>		<b>6,155,917</b>	<b>135,140</b>	<b>-</b>	<b>-</b>	<b>6,291,057</b>	<b>6,426,297</b>
<b>Expenditure on charitable activities</b>							
In-patient care	4	5,271,341	50,583	10,123	28,793	5,360,840	5,181,768
Hospice at home	4	4,150,312	40,527	149,537	-	4,340,376	4,108,225
Community engagement and support	4	578,736	21,319	77,750	-	677,805	706,140
Education	4	1,091,839	38,497	-	651	1,130,987	959,713
<b>Total expenditure on charitable activities</b>		<b>11,092,228</b>	<b>150,926</b>	<b>237,410</b>	<b>29,444</b>	<b>11,510,008</b>	<b>10,955,846</b>
<b>Total expenditure</b>	4	<b>18,475,210</b>	<b>412,977</b>	<b>237,410</b>	<b>29,444</b>	<b>19,155,041</b>	<b>18,523,956</b>
<b>Net (expenditure) before gains/losses</b>		<b>305,500</b>	<b>(412,977)</b>	<b>15,095</b>	<b>-</b>	<b>(92,382)</b>	<b>(876,427)</b>
Net gains/(losses) on investments	11	187,033	-	-	-	187,033	(172,013)
<b>Net income/(expenditure)</b>		<b>492,533</b>	<b>(412,977)</b>	<b>15,095</b>	<b>-</b>	<b>94,651</b>	<b>(1,048,440)</b>
Transfer from designated funds	5	(646,492)	646,492	-	-	-	-
Transfer from restricted funds	6	2,310	-	(2,310)	-	-	-
<b>Net movement in funds</b>		<b>(151,649)</b>	<b>233,515</b>	<b>12,785</b>	<b>-</b>	<b>94,651</b>	<b>(1,048,440)</b>
<b>Reconciliation of funds</b>							
<b>Total funds brought forward at 1 April 2023</b>		<b>538,010</b>	<b>18,620,494</b>	<b>66,360</b>	<b>905,041</b>	<b>20,129,905</b>	<b>21,178,345</b>
<b>Total funds carried forward at 31 March 2024</b>		<b>386,361</b>	<b>18,854,009</b>	<b>79,145</b>	<b>905,041</b>	<b>20,224,556</b>	<b>20,129,905</b>

Note 5

Note 6

Note 7

All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The comparative figures for each fund are shown in Note 8. The Notes on pages 37 to 40 form part of these financial statements.

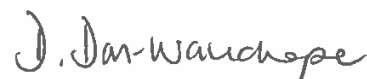
## Balance sheets as at 31 March 2024

	Notes	Group		Charity	
		2024	2023	2024	2023
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	9	4,354	32,114	4,354	32,114
Tangible fixed assets	10	5,374,894	5,540,825	5,374,894	5,540,825
Investments	11	3,316,711	3,069,791	3,317,811	3,070,891
<b>Total fixed assets</b>		<b>8,695,959</b>	<b>8,642,730</b>	<b>8,697,059</b>	<b>8,643,830</b>
<b>Current assets</b>					
Stock	12	9,824	13,784	-	-
Debtors	13	6,831,904	5,384,263	7,050,341	5,615,942
Cash on Deposit		3,732,395	4,545,178	3,732,395	4,545,178
Cash at bank		2,246,079	3,191,313	1,984,267	2,868,376
<b>Total current assets</b>		<b>12,820,202</b>	<b>13,134,538</b>	<b>12,767,003</b>	<b>13,029,496</b>
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	(1,259,605)	(1,615,363)	(1,207,506)	(1,511,421)
<b>Net current assets</b>		<b>11,560,597</b>	<b>11,519,175</b>	<b>11,559,497</b>	<b>11,518,075</b>
<b>Total assets less current liabilities</b>		<b>20,256,556</b>	<b>20,161,905</b>	<b>20,256,556</b>	<b>20,161,905</b>
<b>Provisions for liabilities</b>					
Annuity provision	1.9	(32,000)	(32,000)	(32,000)	(32,000)
<b>Total net assets</b>		<b>20,224,556</b>	<b>20,129,905</b>	<b>20,224,556</b>	<b>20,129,905</b>
<b>The funds of the charity:</b>					
Endowment funds	7	905,041	905,041	905,041	905,041
Restricted income funds	6	79,145	66,360	79,145	66,360
Designated funds	5	18,854,009	18,620,494	18,854,009	18,620,494
Unrestricted funds		386,361	538,010	386,361	538,010
		<b>20,224,556</b>	<b>20,129,905</b>	<b>20,224,556</b>	<b>20,129,905</b>

Approved by the Board of Trustees on 25 September 2024 and signed on its behalf by:



Sean Hilton  
Chair



D. Don-Wauchope  
Honorary Treasurer

## Consolidated cash flow statement for the year ended 31 March 2024

	Notes	2024	2023
		£	£
<b>Net income/(expenditure) for the year (as per the statement of financial activities)</b>	<b>b/fwd from page 32</b>	<b>94,651</b>	<b>(1,048,440)</b>
<b>Adjustments for:</b>			
Depreciation and amortisation	<b>9 &amp; 10</b>	708,684	725,662
Net (gain)/loss on investments	<b>11</b>	(187,033)	172,013
Investment income		(328,967)	(160,691)
Decrease in stock	<b>12</b>	3,960	2,948
(Increase)/decrease in debtors	<b>13</b>	(1,447,641)	933,835
(Decrease)/increase in creditors	<b>14</b>	(355,758)	225,422
(Decrease in annuity provision)	<b>1.9</b>	-	(67,000)
<b>Cash flows from operating activities</b>			
<b>Net cash (used in)/provided by operating activities</b>		<b>(1,512,104)</b>	<b>784,175</b>
<b>Cash flows from investing activities</b>			
Investment income		328,967	160,691
(Purchase) of fixed assets	<b>9 &amp; 10</b>	(514,993)	(406,543)
Sale of investments	<b>11</b>	506,332	522,747
(Purchase) of investments	<b>11</b>	(566,219)	(560,840)
<b>Net cash (used in) investing activities</b>		<b>(245,913)</b>	<b>(283,945)</b>
<b>(Decrease)/increase in cash in the year</b>		<b>(1,758,017)</b>	<b>500,230</b>
<b>Opening balance at bank</b>		<b>7,736,491</b>	<b>7,236,261</b>
<b>Closing balance at bank</b>		<b>5,978,474</b>	<b>7,736,491</b>

## Notes to the Financial Statements

### FOR THE YEAR ENDED 31 MARCH 2024

#### 1. Accounting Policies

##### 1.1 Basis of preparation

These financial statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (“Charities SORP” (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) and the Companies Act 2006.

The charitable company, Princess Alice Hospice (the “Hospice”) 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(s).

The financial position of the Hospice is set out in the Trustees’ Annual Report.

The environment for fundraising continues to be challenging, particularly as people have faced a squeeze on their incomes due to high inflation and energy costs. Education activity has continued to increase with more face-to-face courses being offered.

Cash flow forecasts have been prepared and a range of future scenarios considered. The Trustees are satisfied that, due to the level of cash and reserves held, even under the worst-case scenario considered there are sufficient funds to continue operating and meet liabilities as they fall due for the foreseeable future.

The Trustees are of the opinion that the Hospice has sufficient money in current bank and building society accounts together with investment funds to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of accounting in preparing these annual financial statements.

##### 1.2 Group financial statements

The financial statements consolidate the results of the Hospice and its wholly-owned subsidiaries PAH Trading Limited and PAH Lottery Limited (“the group”) on a line-by-line basis. A separate Statement of Financial Activities (“SoFA”) and Income and Expenditure Account for the charity has not been presented because the Hospice has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The income of the Hospice was £18,866,636 (2023: £17,341,430) and the expenditure was £18,959,020 (2023: £18,217,858).

##### 1.3 Fund accounting

Endowment, restricted, designated and unrestricted funds are separately disclosed in the Balance Sheet and in the Consolidated SoFA. These different funds are defined as follows:

- Endowment funds are funds given to the Hospice where it may use only the income generated from investing these funds
- Restricted funds are subject to specific restrictive conditions imposed by the donor or by the nature of an appeal

- Designated funds are set aside at the discretion of the Trustees for specific purposes. They would otherwise form part of unrestricted funds
- Unrestricted funds are available to use at the discretion of the Trustees in furtherance of the charitable objectives of the Hospice.

#### **1.4 Income**

The total income receivable in the year comprises donations, legacies, NHS income, income from trading activities, interest, fees from education courses run by the Hospice and other sundry income.

Legacies are recognised as income when it can reasonably be assumed that the Hospice is entitled to the legacy and the amount can be estimated with sufficient reliability.

NHS grants are the block grants that the Hospice receives from NHS Surrey Heartlands Integrated Care Board (ICB) and NHS South West London ICB. These are based on historic practice and not related to the level of clinical activity undertaken by the Hospice. They are only agreed for up to one year at a time.

NHS service funding is income received related to the provision of a clinical service, which is normally linked to specific clinical activities undertaken by the Hospice. This may be funding for a new initiative which has been commissioned by an ICB in its care area, such as rapid response night service, or a pilot project. Funding is typically received as a percentage contribution towards the total costs.

NHS continuing healthcare funding is income received for patients who are eligible for a continuing care package. These patients are ready for discharge from the In-Patient Unit but are waiting for a suitable place in a care home or nursing home, or for domiciliary care to be arranged.

#### **1.5 Donated goods and services**

Donated vehicles, plant or furniture are recognised as tangible fixed assets and the corresponding gain recognised as income from donations in the SoFA. Donated facilities or services are likewise recognised as income from donations on the basis of the value of the gift to the Hospice and an equivalent amount recognised as an expense under the appropriate heading in the SoFA.

The Hospice did not receive any donations of goods in the year ended 31 March 2024 (2023: £Nil). Donated goods for resale are recognised as income when sold and included in income from retail shops in the SoFA. It is not practical to estimate the fair value of these goods on receipt because of the volume of low-value items received and the lack of detailed records.

In accordance with the Charities SORP (FRS 102), general volunteer time is not included as income in the accounts as it is not possible to measure this reliably. However, the Hospice relies on the contribution of volunteers and is very grateful for their time. See page 24 for further details.

#### **1.6 Expenditure**

Direct costs comprise expenditure incurred during the year both directly and indirectly attributable to the activity concerned. Support costs include the cost of governance, housekeeping, catering, facilities and health & safety, people services, marketing and communication, finance and administration and depreciation of fixed assets. These have been allocated to activities on a proportionate basis e.g. by activity level, headcount or on the basis of staff time spent (see Note 4).

## 1.7 Taxation

As a registered charity, the Hospice benefits from business rates relief from local Councils and is exempt from direct tax on its charitable activities. The Hospice is able to claim back VAT on most of its activities, any irrecoverable VAT is included in the cost of those items to which it relates. Income tax recoverable in respect of donations under Gift Aid and investment income is included with the income to which it relates.

## 1.8 Intangible and tangible fixed assets

Fixed assets are stated at cost, net of depreciation. Depreciation is provided at rates calculated to write off the cost in equal instalments over the economic life of the asset at the following annual rates:

• Intangible assets	20%/33%
• Freehold land	0%
• Freehold buildings	4%
• Leasehold buildings	over the life of the lease
• Furniture and equipment	10%
• Medical equipment	20%
• Motor vehicles	25%
• Information and Communication Technology Equipment	20%/33%

Items are treated as fixed assets and their costs capitalised only where the purchase price exceeds £1,000.

Intangible fixed assets are non-monetary fixed assets that do not have physical substance, such as computer software, licences and website development.

The cost of leasehold buildings represents capital expenditure on retail shops and lease acquisition premiums.

## 1.9 Pension costs

The total employer pension cost for the year ended 31 March 2024 was £709,914 (2023: £571,366). Total contributions of £112,297 (2023: £110,764) were due to be paid after the year end.

### NHS Pension Scheme

The Hospice makes payments to the NHS Pension Scheme for former NHS employees who, on employment with the Hospice, are eligible to continue in or re-join the NHS Pension Scheme. The NHS Pension Scheme is an unfunded defined benefit scheme that covers employees of NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State for Health and Social Care in England and Wales, which includes the Hospice. It is not possible to identify the Hospice's share of the underlying assets and liabilities and as a result the NHS Pension Scheme is treated as a defined contribution scheme under FRS102.

The employer contribution payable in the year to the NHS Pension Scheme was £367,299 (2023: £323,505).

### Group Personal Pension Scheme

A defined contribution scheme is in operation for eligible employees with contributions payable by both the Hospice and the relevant employees. The assets of these plans are held separately from those of the Hospice, being invested with an insurance company. The current provider of the scheme is Scottish Widows Limited.

The employer contribution payable in the year into the Group Personal Pension Scheme was £237,970 (2023: £214,722).

### **Auto-enrolment**

All employees meeting certain criteria must be enrolled into a workplace pension if they are not already in a qualifying scheme. The Hospice has chosen the National Employment Savings Trust ("NEST") to meet its auto-enrolment obligations. The employer contribution payable in the year into NEST was £95,447 (2023: £89,996).

### **Other pension schemes**

The Hospice contributed to one other pension scheme (2023: one). This scheme is a defined contribution pension scheme.

Prior to 31 December 2011 it was a defined benefit scheme, which is now closed to new members and also to future accrual of benefits to existing members. It is not possible to identify the Hospice's share of the underlying assets and liabilities and as a result the scheme is treated as a defined contribution scheme under FRS102.

The employer contribution payable in the year into the scheme was £5,057 (2023: £6,199).

### **Annuities**

The Hospice is contracted to pay annual sums for life to one (2023: one) former employee based on a sum agreed in 1998 increased by the Hospice annual salary increase (if any). The sum paid in the year under review was £4,141 (2023: £3,944). This liability is met from income in the year in which it is paid.

A provision of £32,000 (2023:32,000) has been retained to cover future unfunded liabilities. The Trustees consider this provision to be adequate.

### **1.10 Stock**

Stock purchased for sale is valued at the lower of cost and net realisable value. Stock donated for sale in the Hospice's retail shops is valued at nil.

### **1.11 Operating leases**

The Hospice has entered into various operating leases, the future financial commitment to which is set out in Note 18. Rentals payable under these leases are charged on a straight-line basis over the term of the lease.

### **1.12 Investments**

Listed investments are included in the balance sheet at market value. Realised gains and losses on disposals in the year and unrealised gains and losses on investments at the balance sheet date are included in the Consolidated Statement of Financial Activities. The movement in the valuation of investments during the year is set out in Note 11.

## 2. Retail shops results

		2024	2023
		£	£
Turnover*		6,890,465	6,989,644
Direct costs	(5,499,463)		
Support costs	(440,933)	(5,940,396)	(5,960,592)
		950,069	1,029,052

\*Turnover includes £2,302,332 (2023: £2,370,712) of donations and associated Gift Aid of £575,583 (2023: £592,679) from the retail Gift Aid scheme. This scheme involves PAH Trading Limited selling goods on behalf of supporters ("Agency Sales") in the Hospice's retail shops and the supporters then donating the proceeds of the Agency Sales to the Hospice under Gift Aid.

## 3. Trading subsidiaries

The Hospice has two wholly-owned subsidiaries which are incorporated in the UK for the purposes of generating income for the Hospice's charitable purposes. The whole of their taxable profit is donated to the Hospice under a Deed of Covenant within nine months of the year end. The specific activity of each of the trading subsidiaries is:

PAH Trading Limited (1925762) – sells new and promotional goods, as well as receiving commission on Agency Sales, provides catering services for the benefit of the Hospice and external users and undertakes other sundry trading activities.

PAH Lottery Limited (3347939) – operates lotteries. In August 2023 the lottery was outsourced to an external provider, Local Hospice Lottery (LHL), the final draw took place on 4 August 2023. The results below reflect the period from 1 April 2023 to the final draw. The company is no longer trading. Lottery income paid to us by LHL is treated as a donation.

	PAH	PAH	Total	Total
	Trading Ltd	Lottery Ltd	2024	2023
Profit and loss accounts	£	£	£	£
Turnover	229,574	148,544	378,118	677,252
Income	229,574	148,544	378,118	677,252
Cost of sales	(126,943)	(36,180)	(163,123)	(228,484)
Direct overheads	-	(9,319)	(9,319)	(41,258)
Administrative expenses	(15,769)	(22,258)	(38,027)	(50,857)
Expenses	(142,712)	(67,757)	(210,469)	(320,599)
Net profit	86,862	80,787	167,649	356,653
Amount covenanted to the Hospice	(86,862)	(80,787)	(167,649)	(356,653)
Retained in subsidiary	-	-	-	-
Previous year net profit (all covenanted to the Hospice)	79,136	277,517	356,653	371,848
<b>Shareholder's funds</b>				
Share capital (issued)	100	1,000	1,100	1,100

#### 4. Total expenditure

	Direct Costs	Support costs (See note 1.6)	Total 2024	Total 2023
	£	£	£	£
In-patient care	3,220,576	2,140,264	5,360,840	5,181,768
Princess Alice at home	3,474,844	865,532	4,340,376	4,108,225
Community engagement and support	454,299	223,506	677,805	706,140
Education	693,710	437,277	1,130,987	959,713
Raising donations and legacies	708,026	645,950	1,353,976	1,141,813
Fundraising events	154,640	-	154,640	159,607
Retail shops	5,499,463	440,933	5,940,396	5,960,592
Trading subsidiaries	14,205,558	4,753,462	18,959,020	18,217,858
	196,021	-	196,021	306,098
	14,401,579	4,753,462	19,155,041	18,523,956
<b>Analysis of support costs:</b>	<b>Basis of apportionment</b>	<b>Group 2024</b>		<b>Group 2023</b>
		£		£
Governance	Time spent	33,569		35,999
Housekeeping	Time spent	645,324		614,818
Catering	Resource allocated	314,119		306,655
Facilities and health & safety	Resource allocated	588,922		491,800
People services	Head Count	340,005		334,234
Volunteering	Resource allocated	140,623		103,736
Digital and performance	Time spent	773,202		665,644
Marketing and communication	Resource allocated	436,755		439,491
Executive, finance and administration	Time spent	856,015		802,630
Amortisation/depreciation (excluding retail)	Resource allocated	624,928		624,987
		4,753,462		4,419,994
		<b>Group 2024</b>		<b>Group 2023</b>
<b>The above figures include:</b>		£		£
Auditor's remuneration - statutory audit		35,758		30,344
- other services		5,360		5,760
Operating lease rentals:				
For charitable activities:				
Equipment		25,312		25,782
For generating funds:				
Leasehold retail shops		1,500,192		1,544,192
PAH Trading Limited - vending machines		8,398		6,963
Amortisation/depreciation of owned assets		708,684		725,662

## 5. Designated funds

	Group and Hospice			
	Balance		Net	Balance
	2023	Expenditure	Transfers	2024
	£	£	£	£
Fixed Asset Equalisation Fund	5,572,939	-	(193,691)	5,379,248
Running Costs Reserve	11,460,000	-	1,032,000	12,492,000
Strategic Development Reserve	1,169,205	(393,369)	(133,950)	641,886
Sustainable Building Development Fund	397,782	-	(107,867)	289,915
Staff Wellbeing Fund	20,568	(19,608)	50,000	50,960
	18,620,494	(412,977)	646,492	18,854,009

The Fixed Asset Equalisation Fund represents the net book value of tangible and intangible fixed assets. This assists in identifying funds which are not free for the Trustees to use. The transfer of £193,691 (2023: £319,119) out to unrestricted funds represents the difference between net capital expenditure and depreciation.

The Running Costs Reserve is intended to provide adequate reserves to meet future charitable expenditure in the event of a significant short-term drop in income. The Trustees are targeting a level of 9 months +/- 3 months budgeted charitable expenditure. A transfer of £1,032,000 has been made from unrestricted funds (2023: £516,000). The balance on this fund is 12 months (2023:12) of the Hospice's budgeted cash expenditure on charitable activities for 2024/25.

The Strategic Development Reserve has been established to support the delivery of the Hospice's strategic objectives. Revenue expenditure of £393,369 was incurred in the year (2023: £230,795) on a number of strategic change projects, some of which are multi-year. Capital expenditure of £133,950 (2023: £nil) was incurred and transferred out to unrestricted funds. The reserve is expected to be fully expended over the next year.

The Sustainable Building Development Fund has been established to fund sustainable building development initiatives, as they are identified, to meet our sustainability goals. There has been no transfer in from unrestricted funds (2023: £Nil). Expenditure of £107,867 (2023: £102,218) was incurred on refurbishing older offices, including LED lighting, and the installation of solar panels which have delivered an immediate energy saving.

The Staff Wellbeing Fund has been established to fund initiatives to improve workforce wellbeing and engagement. A transfer of £50,000 has been made from unrestricted funds (2023: £nil) Expenditure of £19,608 (2023: £6,469) was incurred during the year on providing an Employee Assistance Programme, activities during Wellbeing month and a staff Christmas party.

## 6. Restricted funds

	Group and Hospice				
	Balance	Income	Expenditure	Transfers	Balance
	2023				2024
	£	£	£	£	£
Ward equipment fund	4,966	980	-	-	5,946
Virtual Ward	23,193	100,000	(123,193)		-
Bereavement Service	2,001	18,500	(18,603)		1,898
Wellbeing	805	1,200	(1,327)		678
Dementia pilot scheme	-	77,480	(27,418)		50,062
Hospice at Home	13,294	24,918	(25,017)		13,195
Community engagement programmes	3,465	12,000	(12,831)		2,634
Man Shed	9,811	-	(7,413)	(1,859)	539
Covid visitor coordinator	2,572	(2,572)	-		-
Virtual clinic support for homelessness	-	11,485	(11,485)		-
Garden	2,313	2,538	(2,595)		2,256
Other Funds	3,940	5,976	(7,528)	(451)	1,937
	66,360	252,505	(237,410)	(2,310)	79,145

The policy of the Trustees is to treat donations given for specific purposes as Restricted Funds until properly expended. The funds shown are those which were directed by donors to be used for specific purposes and are unexpended at 31 March 2024. These funds will be used in accordance with the directions of the donors in a subsequent accounting period.

## 7. Endowment funds

	Group and Hospice			
	Balance	Movement in resources		Balance
	2023	Income	Expenditure	2024
	£	£	£	£
The Edwin Stevens fund	40,000	1,301	(1,301)	40,000
The D.J. Squires "Love of Roses" fund	20,000	651	(651)	20,000
The June Daphne Allen fund	845,041	27,492	(27,492)	845,041
	905,041	29,444	(29,444)	905,041

The Edwin Stevens fund relates to a permanent capital contribution received on establishment of the Hospice. The D.J. Squires Love of Roses fund was established in 1996, the income from which is to be used for the research and advance of palliative care. The June Daphne Allen fund was created by the conditions of a legacy received in July 2001, the income from which is to be used for the general purposes of the Hospice. All income arising from these funds was expended during the year.

## 8. Comparative results for each group of funds

Year ended 31 March 2023	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds 2023
	£	£	£	£	£
<b>Income</b>					
Donations	1,788,258	-	239,133	-	2,027,391
Legacies	4,116,775	-	-	-	4,116,775
NHS grants	2,178,440	-	-	-	2,178,440
NHS service funding	474,013	-	-	-	474,013
NHS continuing healthcare funding	87,793	-	-	-	87,793
Education	277,580	-	-	-	277,580
Retail shops	6,989,644	-	-	-	6,989,644
Fundraising events	624,493	-	-	-	624,493
Trading subsidiaries	677,252	-	-	-	677,252
Investments	142,741	-	-	17,950	160,691
Other income	33,457	-	-	-	33,457
<b>Total income</b>	<b>17,390,446</b>	<b>-</b>	<b>239,133</b>	<b>17,950</b>	<b>17,647,529</b>
<b>Expenditure</b>					
Raising donations and legacies	1,056,426	85,387	-	-	1,141,813
Retail shops	5,911,387	49,205	-	-	5,960,592
Fundraising events	159,607	-	-	-	159,607
Trading subsidiaries	306,098	-	-	-	306,098
In-patient care	5,115,881	42,096	6,238	17,553	5,181,768
Hospice at Home	3,922,388	36,405	149,432	-	4,108,225
Community engagement and support	642,630	19,285	44,225	-	706,140
Education	954,430	4,886	-	397	959,713
<b>Total expenditure</b>	<b>18,068,847</b>	<b>237,264</b>	<b>199,895</b>	<b>17,950</b>	<b>18,523,956</b>
Net loss on investments	(172,013)	-	-	-	(172,013)
<b>Net income/(expenditure)</b>	<b>(850,414)</b>	<b>(237,264)</b>	<b>39,238</b>	<b>-</b>	<b>(1,048,440)</b>
Transfer to designated funds	(94,663)	94,663	-	-	-
Transfer from restricted funds	52,742	-	(52,742)	-	-
<b>Net movement in funds</b>	<b>(892,335)</b>	<b>(142,601)</b>	<b>(13,504)</b>	<b>-</b>	<b>(1,048,440)</b>

## 9. Intangible assets

Cost	Total 2024
	£
At 1 April 2023	435,909
Purchases	1,840
Disposals	-
<b>At 31 March 2024</b>	<b>437,749</b>
<b>Amortisation</b>	
At 1 April 2023	403,795
Charge for year	29,600
Disposals	-
<b>At 31 March 2024</b>	<b>433,395</b>
<b>Net book value</b>	
At 31 March 2024	4,354
At 31 March 2023	32,114

## 10. Tangible fixed assets

	Group and Hospice				
	Freehold land	Freehold buildings	Leasehold buildings	Furniture, equipment and vehicles	Total 2024
<b>Cost or valuation</b>	£	£	£	£	£
At 1 April 2023	71,586	12,325,422	483,511	2,161,296	15,041,815
Purchases	-	145,352	149,067	218,734	513,153
Disposals	-	-	-	(48,034)	(48,034)
<b>At 31 March 2024</b>	<b>71,586</b>	<b>12,470,774</b>	<b>632,578</b>	<b>2,331,996</b>	<b>15,506,934</b>
<b>Depreciation</b>					
At 1 April 2023	-	7,628,886	288,204	1,583,900	9,500,990
Charge for year	-	445,032	68,809	165,243	679,084
Disposals	-	-	-	(48,034)	(48,034)
<b>At 31 March 2024</b>	<b>-</b>	<b>8,073,918</b>	<b>357,013</b>	<b>1,701,109</b>	<b>10,132,040</b>
<b>Net book value</b>					
At 31 March 2024	71,586	4,396,856	275,565	630,887	5,374,894
At 31 March 2023	71,586	4,696,536	195,307	577,396	5,540,825

## 11. Investments

	2024	2023
<b>Marketable investments</b>	£	£
Market value at start of year	3,069,791	3,203,711
Net additions at cost	566,219	560,840
Disposals at market value	(506,332)	(522,747)
Net gain/(loss) on revaluation/disposal	187,033	(172,013)
Market value at 31 March	3,316,711	3,069,791
<b>Trading subsidiaries (see Note 3)</b>	1,100	1,100
<b>Total investments</b>	<b>3,317,811</b>	<b>3,070,891</b>
Cost at 31 March	2,693,502	2,646,405
	<b>2024</b>	<b>2023</b>
Marketable investments comprise:	£	£
Equities	1,722,044	1,491,044
Fixed Income	644,903	589,481
Other securities (absolute return funds, multi-asset funds, property funds, etc.)	768,459	816,827
Short term deposits and cash	181,305	172,439
	<b>3,316,711</b>	<b>3,069,791</b>

## 12. Stock

	Group	
	2024	2023
	£	£
Stock of promotional and new goods (all stock is held by PAH Trading Limited)	9,824	13,784

### 13. Debtors

	Group		Hospice	
	2024	2023	2024	2023
	£	£	£	£
Operating debtors	139,926	148,227	139,926	148,227
Accrued legacy income	5,471,285	3,799,395	5,471,285	3,799,395
Gift Aid recoverable	259,741	625,355	259,741	625,355
Retail rents prepaid	369,082	371,272	369,082	371,272
Insurance pre-paid	117,519	113,172	117,519	113,172
Other debtors and prepayments	474,351	326,842	473,673	323,344
Amounts due from subsidiaries	-	-	219,115	235,177
	6,831,904	5,384,263	7,050,341	5,615,942

### 14. Creditors

	Group		Hospice	
	2024	2023	2024	2023
	£	£	£	£
Taxation and social security costs	262,172	248,332	262,172	248,332
Salaries and holiday pay	35,633	268,421	35,633	268,421
Operating creditors	487,539	470,868	485,538	466,941
Other creditors and accruals	474,261	627,742	424,163	527,727
	1,259,605	1,615,363	1,207,506	1,511,421

### 15. Staff remuneration

Costs	Group	
	2024	2023
	£	£
Salaries	11,874,911	11,276,865
Employer's National Insurance	1,094,033	1,064,868
Pension costs	709,914	571,366
Apprenticeship Levy	44,781	39,821
Agency staff	61,343	164,359
Recruitment and training expenses	143,433	181,589
Subsidiary companies staff costs	9,319	41,258
	13,937,734	13,340,126

	Group			
	2024		2023	
	Headcount	FTE	Headcount	FTE
<b>Average number of employees</b>				
In-patient unit	63	48	65	48
Hospice at home	69	50	67	48
Community engagement and support	9	6	9	6
Consultants and doctors	11	7	9	6
Clinical support services	16	11	17	13
Housekeeping	22	16	22	16
People services and volunteering	10	7	9	7
Other support services	18	14	16	13
Education	11	9	11	8
Marketing and communication	7	7	8	7
Fundraising	19	16	17	14
Digital and Performance	13	11	13	10
Retail	131	90	133	94
Executive and finance	12	8	12	8
	411	300	408	298

	Group	
	2024	2023
	No.	No.
The number of employees whose earnings (excluding employer's pension contributions) fell into the bands below were:		
£60,000 to £69,999	10	3
£70,000 to £79,999	2	1
£80,000 to £89,999	1	5
£90,000 to £99,999	5	*2
£100,000 to £109,999	*1	1
£120,000 to £129,999	1	-

\*The pay of the Chief Executive falls within this band.

Included in the numbers above are members of the leadership team, plus medical consultants, specialty doctors and other senior clinical staff directly employed by the Hospice who are paid at a rate equivalent to the relevant NHS scale.

The key management personnel of the Hospice are the Trustees and the Senior Leadership Team ('SLT'). During the year the SLT has comprised of the Chief Executive, Deputy Chief Executive, Medical Director, Director of Patient Care and Communities, Director of Marketing, Communications, Digital and Performance, Director of Income Generation, Director of Finance and Operations, Director of People Services, Volunteering and Organisational Development, and Director of Education and Research. They are subject to the same terms and conditions as other members of staff and do not receive any additional employee benefits. They are only reimbursed for expenses wholly and necessarily incurred for business purposes in accordance with Hospice policy. The total employee benefit (salary and employer's pension contribution) received by the SLT was £853,658 (2023: £787,634).

The Trustees are the directors for the purposes of the Companies Act 2006 and, as required by the Articles of Association, are the members of Princess Alice Hospice, a Company limited by Guarantee. They receive no remuneration. During the year to 31 March 2024 they were reimbursed for expenses of £46 (2023: £792).

An aggregate payment of £19,721 (2023: £30,191) was made to 4 ex-employees (2023: 4) under a settlement agreement. An aggregate payment of £3,298 (2023: £25,098) was made to 2 (2023: 7) employees on redundancy in respect of statutory redundancy pay.

## 16. Related Party Transactions

During the year ended 31 March 2024, the aggregate amount of donations received from Trustees and their close family members, the SLT and their spouse/partner was £4,468 (2023: £7,877).

The Trustees volunteer their time to fulfil their governance and leadership roles. They provide support and advice to the SLT. They attend internal and external meetings, Hospice events and external events, in person where possible but otherwise virtually during the year. The Trustees estimate that during the year they donated over 2,000 hours of time in aggregate.

During the year to 31 March 2024 the Hospice invoiced PAH Trading Limited for £9,857 (2023: £10,010) for the use of retail shop facilities to sell goods on behalf of supporters (Agency Sales) and £4,591 (2023: £4,491) for the preparation of sandwiches to sell in the coffee shop. At 31 March 2024 balances of £121,037 (2023: £62,202) and £98,079 (2023: £172,975) were owed to the Hospice from PAH Trading Limited and PAH Lottery Limited respectively.

## 17. Analysis of net assets between funds (Group)

	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total 2024	Total 2023
	£	£	£	£	£	£
Fixed assets	-	5,379,248	-	-	5,379,248	5,572,939
Investments	-	2,411,670	-	905,041	3,316,711	3,069,791
Current assets	1,677,966	11,063,091	79,145	-	12,820,202	13,134,538
Current liabilities	(1,259,605)	-	-	-	(1,259,605)	(1,615,363)
Annuity provision	(32,000)	-	-	-	(32,000)	(32,000)
	386,361	18,854,009	79,145	905,041	20,224,556	20,129,905

## 18. Other financial commitments

	Retail Shops		Equipment	
	2024	2023	2024	2023
At 31 March 2024 the Group was committed to making the following payments under non-cancellable operating leases:				
	£	£	£	£
<b>Operating leases which expire:</b>				
Within 1 year	1,060,177	1,106,135	10,786	1,990
Within 2 to 5 years	2,062,517	2,329,776	29,315	22,924
After 5 years	493,537	774,562	-	-
	3,616,231	4,210,473	40,101	24,914

## 19. Simplified income and expenditure statement

	Notes	Group		Group		
		2024	2024	2023	2023	
Income		£	£	£	£	
NHS grants	1.4		2,232,036	20%	2,178,440	22%
Voluntary income						
Legacies	1.4		5,507,951	48%	4,116,775	41%
Donations	1.4	2,385,034			2,027,391	
Cost of generating voluntary income	4	(1,353,976)			(1,141,813)	
			1,031,058	9%	885,578	9%
Fundraising events	1.4	633,026			624,493	
Cost of fundraising events	4	(154,640)			(159,607)	
			478,386	4%	464,886	5%
Trading subsidiaries	3	378,118			677,252	
Cost of trading subsidiaries	3	(196,021)			(306,098)	
			182,097	2%	371,154	4%
Retail						
Retail income	2	6,890,465			6,989,644	
Cost of retail	4	(5,940,396)			(5,960,592)	
Retail contribution			950,069	8%	1,029,052	10%
Investment income	1.4		328,967	3%	160,691	1%
NHS service funding	1.4		280,643	2%	474,013	5%
NHS continuing healthcare funding	1.4		87,064	1%	87,793	1%
Education	1.4		283,277	2%	277,580	3%
Other	1.4		56,078	0%	33,457	0%
<b>Net income</b>			<b>11,417,626</b>	<b>100%</b>	<b>10,079,419</b>	<b>100%</b>
<b>Expenditure</b>						
<b>Charitable activities</b>						
In-patient care	4	(5,360,840)		46%	(5,181,768)	47%
Princess Alice at home	4	(4,340,376)		38%	(4,108,225)	37%
Community engagement and support	4	(677,805)		6%	(706,140)	6%
Education	4	(1,130,987)		10%	(959,713)	9%
			(11,510,008)		(10,955,846)	
<b>Total expenditure on charitable activities</b>			<b>(11,510,008)</b>	<b>100%</b>	<b>(10,955,846)</b>	<b>100%</b>
<b>Operating (deficit)</b>			<b>(92,382)</b>		<b>(876,427)</b>	

# Who's who at Princess Alice Hospice

## Trustees

### **Professor Sean Hilton**

#### **Chair**

Sean is Emeritus Professor at St George's, University of London. He was a GP partner for 30 years in Kingston upon Thames.

### **Deborah Bowman MBE**

#### **Vice-Chair**

Deborah is an Emeritus Professor of Medical Ethics and Law and a Clinical Ethicist who has combined a successful academic career with effective and values-based senior leadership in Higher Education.

### **Despina Don-Wauchope**

#### **Honorary Treasurer**

Despina is a Chartered Management Accountant and has more than 30 years' experience working for a number of FTSE100 companies.

### **Gail Cookson**

Gail has been a director at a London-based creative agency for over 18 years and has over 30 years' experience in fundraising.

### **Fidelma Hatton** (from July 2023)

Fidelma has over 20 years' experience in the non-profit sector. She has a background in direct marketing and is also a Trustee of Age UK Sutton.

### **Tim Hewens**

Tim is a solicitor and a partner at a London firm. He was previously a Trustee of Walton Charity and of the RG Foundation.

### **Ros Irving** (from April 2023)

Ros has worked for more than 25 years in business-to-business events with experience in research and content creation, marketing, sales, operational delivery, risk and compliance.

### **Andrew Jennings**

Andrew is retired following a career as a Chartered Accountant in the City where he spent over 30 years in International Law management.

### **José Sanchez Loureda**

José has extensive experience in driving digital business transformation and providing strategic leadership. He has worked with a range of UK and global organisations.

### **Tatenda Mazivanhanga** (from September 2023)

Tatenda has worked in management consultancy and technology across various sectors, with a focus on digital transformation and technical innovation.

### **Heather Patel**

Heather is a retired GP. Her practice was in Claygate and she worked closely with the Hospice on behalf of her patients for over 35 years.

### **Jonathan Perkins** (to June 2024)

Jonathan is a retired solicitor. He has held various voluntary positions, including a previous term as Trustee of the Hospice (2006 – 2015).

**Raja Ram** (from July 2023)

Raja is an experienced finance leader with expertise in supporting business strategy and driving change. He has worked in various senior finance roles in the insurance sector.

**Karen Roberts** (to September 2023)

Karen has over 30 years' experience of managing Human Resources in global companies, specialising in talent management and workforce planning.

**Scott Thomson** (from July 2023)

Scott has over 20 years' experience in the banking sector as a finance and business transformation leader. He has expertise in strategic financial management and planning, supporting and enabling business strategy.

**Jamie Tolentino-Deludet** (to March 2024)

Jamie has extensive experience working in the financial services sector supporting them to become digitally enabled.

**Darren Webb**

Darren has over 20 years' experience in financial markets and has worked for a number of international businesses.

**Peter West**

Peter is a health economist with over 40 years' experience working for consulting groups, universities and government agencies across the world.

## Honorary President

**Jane Formby MBE**

Jane has been involved with the Hospice for over 40 years, first as a volunteer then as a founding Trustee. Jane stepped down as a Trustee in 2018 and took up the role of Honorary President.

## Committee Advisory Members

**Rob Aldous**, Income Generation Committee

**Duncan Burton**, Clinical and Community Quality Assurance Committee

**Karen Frend**, Audit and Risk Committee

**Louise Mitchell**, Income Generation Committee

**Tim Moody**, Income Generation Committee

**Monday Ugiagbe**, (to August 2023), Clinical and Community Quality Assurance Committee

## Representatives of the Friends of Princess Alice Hospice

**Veronica Eagles** – Income Generation Committee

**Mary Houghton** – Income Generation Committee

## Senior Leadership Team

### **Nigel Seymour**

Chief Executive (from March 2024), formerly Deputy Chief Executive and Director of Digital, Data and Performance

### **Nicki Shaw**

Chief Executive (to December 2023)

### **Jane Berg**

Director of Skills, Knowledge and Research

### **Karen Garforth**

Director of People Services, Volunteering and Organisational Development

### **Angela Grimes**

Director of Income Generation

### **Lesley Munro**

Director of Patient Care and Communities

### **Diane Rickwood**

Director of Finance and Operations and Company Secretary

### **Julia Russell**

Director of Marketing and Communications and Digital and Performance

### **Jennifer Todd**

Medical Director

## Advisors

**Cazenove Capital Management**, 1 London Wall Place, London EC2Y 5AU

**Forvis Mazars LLP**, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

**Barclays Corporate**, Ground Floor, Tagus House, Ocean Way, Southampton, SO14 3TJ

# Special thanks to...

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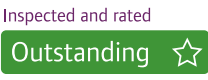
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**Contact us**

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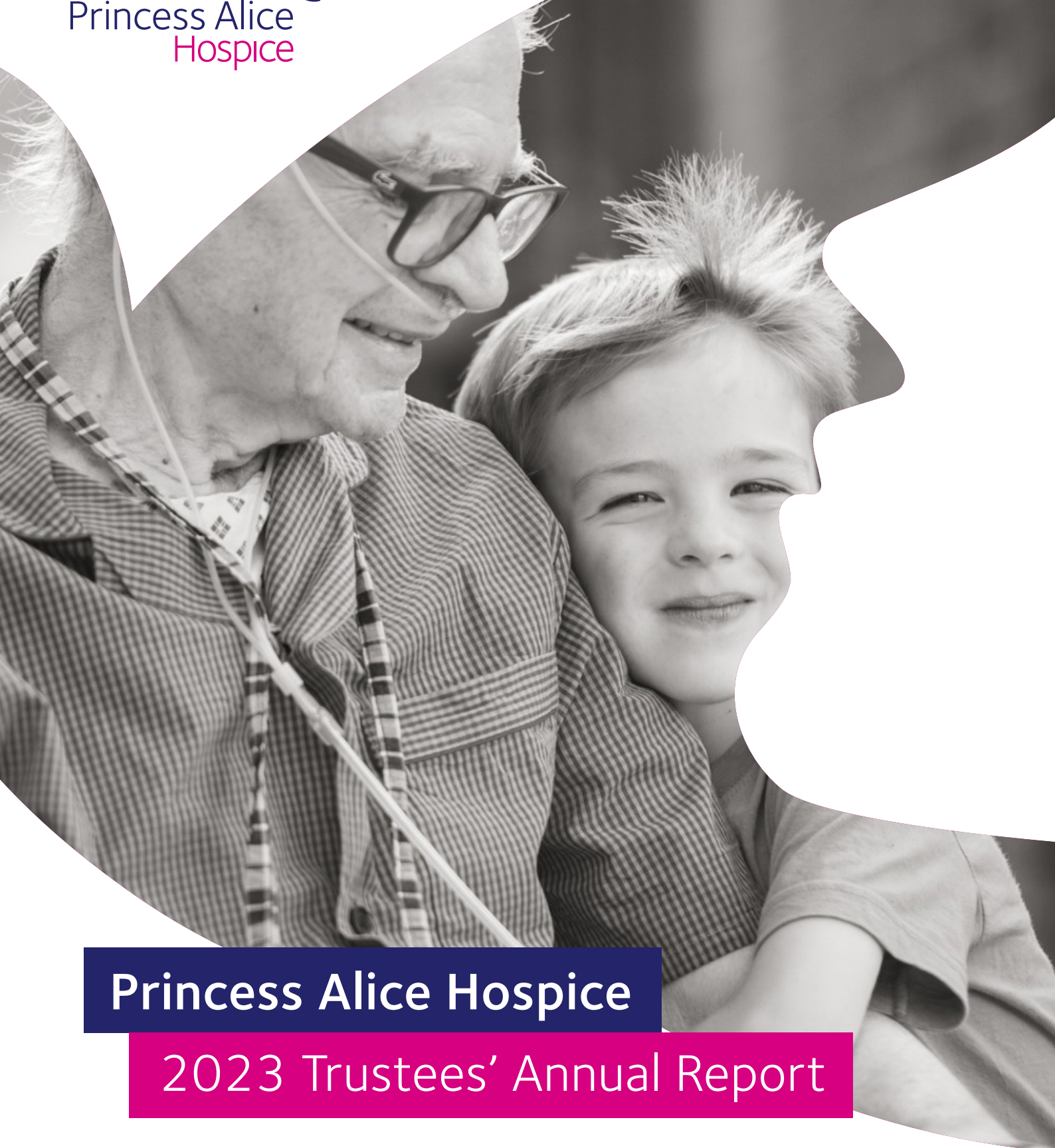
**PRINCESS ALICE HOSPICE**

England & Wales - Charity number 1010930

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# Accounts

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# Princess Alice Hospice

## 2023 Trustees' Annual Report

YEAR ENDED 31 MARCH 2023

## Princess Alice Hospice makes a difference

It costs us £10 million each year to provide free, high-quality care.

Core NHS funding represents circa 20% of our expenditure on charitable activities. Most of the balance is raised through legacies, fundraising, dedicated shop units, investments and the generous support of our communities. It is only the support of our community and beyond that makes it possible to do our work.

We are rated by the Care Quality Commission as providing outstanding palliative and end of life care in the community and within our Hospice. Our teams of employees, volunteers and supporters are positive, passionate and professional.

No one can prevent death, but we do everything we can to make dying as good as possible for patients, their families and friends. We believe that hospice care is for living.

### Our Vision

Our communities will have the best care and support before, during and after death.

### Our Mission

We will develop hospice ways of working so that we can best deliver services that place people at the centre of everything we do.

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# Chair and CEO report

It gives us immense pleasure to introduce the Trustees' Annual Report for 2022/23.

Our current strategic period began on the 1 April 2022. The Board agreed a new strategy and plan for the organisation in the previous financial year and we were very pleased to introduce both to colleagues across the organisation. There were opportunities to attend both formal and informal presentations and drop-in sessions. We wanted to convey the sense of opportunity and excitement that was felt by both the Board and Senior Leadership Team (SLT) when we had developed the strategy over the previous six months.

Colleagues welcomed the ambition but with a degree of apprehension about the amount of change that might be required to realise it; however, they recognised, that in a rapidly changing environment with an increasingly challenged health and social care sector, it was essential to respond, adapt, and develop skills and competencies as an organisation. We aim to be in the strongest position possible to deal with the competing pressures, complexity and ambiguity, and to continue to deliver high-quality care and support to patients and their loved ones. We provided reassurance that the transformational change would be well structured, and colleagues would be supported throughout the process. There is further detail on page 9 of the cross-organisational projects initiated under this programme. The whole Hospice team has embraced the challenge of working on these at the same time as delivering their "business as usual" workloads. We continue to be hugely impressed by their enthusiasm, dedication and commitment.

Our vision continues to place people at the heart of everything we do, which of course includes our outstanding colleagues and volunteers. We want our colleagues to be able to bring their whole selves to work and be the best in their roles that they can be. Our commitment to creating a values-led culture of belonging, where everybody feels welcome, remains at the forefront of the care we provide and the way we develop, educate and support our teams. We have continued to focus on employee wellbeing, developing our leadership capacity and supporting our colleagues to better understand how to be truly inclusive, both as an employer and provider of services to people when they are at their most vulnerable.

The organisation has continued its focus on continuous improvement. Last summer we reviewed our governance systems by engaging a consultant to support us through the Digi-Board process. This involved a review of Board and Committee effectiveness and we were able to compare our results with other hospices and other not-for-profit organisations. The consultant shared the results and recommendations with the Board and SLT at an away day last October. The recommendations were accepted by trustees and were implemented during quarter 4 of the previous financial year. More detail can be found on page 12.

We said goodbye to some longstanding trustee colleagues and friends on the Board and welcomed new ones. We are enormously grateful to the talented individuals who give their time and expertise so generously by supporting us as trustees on the Board. There have also been welcome additions to a high performing SLT. The achievements listed on the following pages are a testament to their individual and collective leadership abilities and the guidance and support they have provided to their teams across the organisation throughout the year.

Members of the SLT have continued to invest time in developing relationships and participating in the emerging governance systems for the two Integrated Care Boards (ICBs) – Surrey Heartlands and South West London – that cover our care area. We had hoped that the inclusion of the statutory requirement for ICBs to commission Palliative and End of Life Care (PEoLC) in the Health and Social Care Act 2022 would result in a more equitable and sustainable approach to NHS funding and investment in hospice care. This has not been realised.

Princess Alice Hospice continues to receive a much lower NHS contribution to the costs of delivering care and support to its population than the national average - 20% v 32% (Hospice UK - Hospice Accounts Report 2020) and compared to the other 6 hospices operating in the two ICBs. This impacts our ability to support a health system in crisis and, more importantly, deliver the high-quality care and support in the volumes that our community needs. We will continue to lobby for a fairer and more equitable outcome while also investing in income generation initiatives to meet the gap.

Princess Alice Hospice holds a special place in our local community. It is only through the extraordinary generosity of all our supporters and volunteers – donating time, money, and resources – that we deliver against, sometimes beyond, our strategic objectives and plan. We are grateful to every one of them.

As we look back across the year, we feel very privileged to be the Chair and Chief Executive of such an aspirational, high achieving organisation. Our dedicated and passionate people are united by a desire to provide and facilitate excellent care and support for every person who touches our service. We hope they know how much we value them. Together we can continue to achieve remarkable things for our patients, their loved ones, our colleagues and our wider community.



Sean Hilton  
**Chair of Trustees**



Nicki Shaw  
**Chief Executive**

# Making our ambitions a reality – the first year of our new strategy

Our current strategic period began on 1 April 2022 and in the weeks that followed colleagues were introduced to our plans via a series of well attended drop-in sessions at the Hospice. Many had been involved in the strategic discussions that supported the development of the plan but this provided a good opportunity to ensure that everybody had a clear understanding of our priorities and to know that they would be encouraged and supported to help deliver our ambitions over the next five years.

The SLT shared the internal and external drivers that were having, and would continue to have, a wide-ranging impact on the Hospice, namely:

- Changing demographics, with a projected increase in the number of people who will need palliative and end of life care in the future
- An existing gap between those who need PEOLC and those who receive it – a gap that is exacerbated by inequality, inequity and social exclusion
- Changing health and social care structures, with an increased emphasis on integration
- Developments in technology and a growing acceptance of people using digital services to access and receive health care
- Increasing and changing demands of the people we care for
- A competitive recruitment market for resources and skills
- Funding shortfalls – costs increasing more quickly than the income we can generate
- A growing emphasis on sustainability and the ESG (environmental, social, governance) agenda.

These drivers presented both opportunities and challenges. It is widely acknowledged that hospices are operating in a period of continuous change, unprecedented uncertainty and complexity. The ability to be agile, adaptive and responsive is crucial, while not losing sight of our long-term vision, that places people at the heart of everything we do.

**As a strategic response we developed four overarching priorities to support our vision and sustain and develop our vital work. We also recognised that we would need to embark on a period of transformational change to ensure sustainability and resilience.**

The priorities we set ourselves and the achievements we realised as an organisation during the year under report are summarised below:

## **PRIORITY 1**

**Developing and expanding our specialist care.**

**We will provide and develop outstanding, personalised, specialist end of life care by adapting our models of care and broadening access to our community services, focusing on providing the right care, by the right people, at the right time and in the right place.**

Our clinical colleagues continued to deliver outstanding compassionate care and support throughout the year. 1,974 patients died under our care, either within the Hospice or in their own homes. The NHS and our Social Care partners are facing unprecedented pressures. Our teams have gone 'over and above' frequently to support colleagues under pressure, to ensure patients and loved ones receive high quality care and support, irrespective of where they are being cared for. As well as delivering core services clinical colleagues were keen to start the new strategic year with a series of objectives that focused on increasing the reach and responsiveness of our services.

Objectives for 2022/23 were to:

- Use data and patient and family insight to refine our service design and pathway flows to improve accessibility, reach and responsiveness
- Explore emerging models of care such as “Virtual Wards”, and, where there are clear benefits, using the evidence and learning to adapt our services
- Implement an effective digital solution to deliver remote consultations by clinicians to increase flexibility and choice for patients and families.

Achievements include:

- Engaging an external consultancy partner and, with their support, reviewing and redesigning three clinical pathways; referrals, bereavement and carers support. The new pathways will be implemented during 2023/24.
- Mapping our existing PEoLC community service against the emerging specifications for “Virtual Wards” with a view to running a “proof of concept” pilot in 2023/24
- Continuing to refine our core services, for example, establishing a “duty role” in the Community Team to provide a more rapid response to patients and carers calling the Hospice for support and advice  
Implementing AccuRx as our primary solution for video consultations and text messaging with patients and carers
- Continuing to provide an extensive Wellbeing Service through a hybrid face to face/online programme – the programme has been shortlisted for a Health Service Journal Patient Safety Award.

## PRIORITY 2

**Empowering people in our communities to better support and care for people at the end of life.**

**We will make sure that people feel supported and have access to the right tools and advice to support others who are faced with death, dying, grief and loss. We will champion equity of access so that people can access our services equally, regardless of background, gender, sexual orientation or religion.**

Our focus for 2022/23 was to:

- Deepen our understanding of the needs and make-up of our local community to allow us to address inequalities of access and respond to unmet needs
- Work in partnership with groups who are under-represented to deliver community-based bereavement support
- Continue to increase the number of Compassionate Neighbours developing their skills and expertise so that they are better able to support community members through death, dying, grief and loss
- Re-launch the Planning Ahead programme (Advance Care Planning) to highlight the importance of understanding and sharing future needs and wishes.

Achievements include:

- Successfully recruiting a Service Development Lead for Diversity and Inclusion
- Developing a wide-ranging programme addressing inequalities of access and unmet need and agreeing the priorities for 2023/24. This will focus on improving support for people with learning disabilities who are facing end of life; expanding the Compassionate Neighbours programme, in particular supporting those with dementia and working in partnership with organisations that support the homeless community to support palliative and end of life care in that population
- Establishing an organisational wide approach to collecting data on protected characteristics so that we are better able to provide personalised support

- Launching a programme of Inclusion Lunch & Learn sessions – a set of informal sessions open to staff and volunteers to increase awareness and knowledge to ensure we can support people in a truly inclusive, personalised and holistic way. The sessions are hosted by a mix of external speakers, staff and volunteers. Topics delivered so far:
  - End of life care for LGBTQ+ People
  - Homelessness and Palliative Care: Bridging the Gap
  - Neurodiversity and autism at end of life
  - Under the Radar: Exploring the changing picture of poverty and low income in Elmbridge.
- Increasing our capacity to deliver bereavement support by training an additional 22 bereavement support volunteers, providing them with a 10-week bereavement and listening skills course, to enable them to provide individual and/or group support to bereaved families
- In response to feedback from carers and patients' loved ones, focusing on pre-bereavement support to help better prepare them for the future they face.

### **PRIORITY 3**

#### **Developing our education, research and learning programmes to improve quality and encourage and support innovation.**

#### **We will make sure people are supported and cared for at the end of life by health and social care professionals who have the right skills, expertise and confidence.**

In 2022/23 we committed to:

- Scoping the potential of the European Certificate in Essential Palliative Care (ECEPC) in terms of growth and diversification
- Continuing to develop ways in which we can support care home staff to improve their confidence and competence in end of life care
- Developing a Research Strategy that supports and aligns with the new organisational strategy.

Achievements include:

- Commissioning a review of our flagship education programme, the ECEPC, to scope out options that would enable its reach and impact to increase. The review was undertaken in the second half of 2022/23 with the recommendations presented to the SLT and wider stakeholders in Q1 of 2023/24
- Developing our education and training offer to care homes to include:
  - The Six Steps to Success in End-of-Life-Care for Care Homes. This programme aims to ensure that all residents in care homes at end of life receive high quality care. Based on the Six Steps described in the End-of-Life Care Strategy, end of life care champions nominated by the care home are supported to develop their knowledge, skills and confidence so that they can support and mentor their colleagues as well as delivering high quality care themselves
  - Establishing a Share and Learn network for care homes that have already undertaken The Six Steps Programme. Colleagues from participating care homes attend a monthly meeting online to share examples of good practice and discuss issues and challenges. The meetings are facilitated by the Hospice but it is the opportunity for peer learning and networking amongst the homes that is so powerful.
- Building on our commitment to being a "Research Active Hospice" by engaging colleagues from across the organisation to refresh our approach to research so that activity supports and enhances the organisational strategy. Colleagues agreed the following themes and priorities:
  - Demystifying research
  - Increasing connections with external academic colleagues and communities
  - Ensuring quality improvement is everyone's business
  - Nurturing a culture of enquiry
  - Understanding our impact by asking "so what?"

- Ensuring we are agile and responsive to change.

## **PRIORITY 4**

### **Enhancing our collaborative influence in palliative and end of life care through leadership and advocacy.**

#### **We will use our expertise and knowledge to improve end of life care for everyone facing death, dying, loss and bereavement.**

In 2022/23 we prioritised:

- Investing the time of senior leaders to work with health and social care partners within our care area as the new NHS governance and delivery structures form and develop
- Developing a way of assessing the value of partnerships and collaborations to inform decisions on how we allocate time and resources
- Supporting colleagues to submit posters and present at conferences and seminars, publish articles in academic and sector specific publications and actively participate in regional and national groups and collaborations.

Achievements include:

- Participating in the various governance groups that support the delivery of health and care in Surrey Heartlands and South West London ICBs
- Supporting our NHS system partners during the extended “Winter pressures” period by providing additional specialist medical input and demonstrating that it could prevent unnecessary and unwanted hospital admissions and result in a better care experience for those benefitting from the service
- Lobbying for more resource to be invested in End-of-Life-Care (EoLC) and for hospices to receive a greater percentage of NHS contribution to the costs of delivering care
- Developing a set of guiding principles as to what makes a good collaboration or partnership
- Presenting and exhibiting 6 posters at the Hospice UK annual conference – posters covered such diverse topics as: The long term impact of a short course on the essentials of palliative care; The process of developing a Hospice impact framework, and a Hospice night response nursing service audit
- Joining the emerging Innovate Hospice Care collaboration to explore whether geographically dispersed hospices can work together to gain economies in scale, for example, in investing in new income generation products.

## ACCELERATING STRATEGIC CHANGE

The new strategy was deliberately ambitious and aspirational. The Board and SLT recognised that if the Hospice were to succeed it would need to focus on sustainability in its widest sense (both financial and environmental) and develop greater organisational capacity, capability, and resilience – the organisation would need to embark on a period of transformational change. To support this, the Board set up a Strategic Development Reserve of £1.4 million in 2021 to accelerate progress. The projects summarised below (some of which are referenced above) all involve a degree of transformational change. Some were focused on key priorities, others addressed our financial sustainability or improving the way that we function (improving our operating model). They were initiated and, in many instances, completed during the period under review:

- Refining service design and pathways into accessing care and support (Priority one)
- Addressing inequalities of access to services (Priority two)
- Considering the viability of scaling the ECEPC (Priority three)
- Investing in additional fundraising posts (Financial sustainability)
- Investing in digital fundraising and marketing capability (Financial sustainability)
- Developing a Customer Experience Hub in the Income Generation Directorate (Improving our operating model)
- Moving from the Distribution Centre to the new Retail Hub (Financial sustainability)
- Developing our approach to data (Improving our operating model)
- Increasing our capacity and capability in digital and process automation (Improving our operating model)
- Developing our employer brand and investing in talent acquisition (Improving our operating model).

In 2022 the Board also agreed to establish a Sustainable Building Development fund of £0.5 million from reserves so that we could continue to make capital investments in our building and infrastructure that will result in a decrease in our environmental impact. Details of the projects funded through this fund are reported in Note 5 on page 42.

# Objectives for 2023/24

## STRATEGIC CHANGE, FINANCIAL SUSTAINABILITY AND RESILIENCE

Investing in transformation requires long term commitment as projects and programmes will typically be delivered over multiple years. The following strategic change projects have been approved by the Board and will start during 2023/24:

- Implementation of “Virtual Wards” (Priority one)
- Focussed delivery on one or more underserved communities (Priority two)
- ECEPC development – implementation of the recommendations from the business scoping exercise (Priority three)
- Investment in digital fundraising and marketing PHASE 2 - implementation of a six-month action plan focussing on 3 areas; retention, agile working, and data (Financial sustainability and improving our operational model)
- Refreshing our shop estate - targeted rolling programme of shop refresh across the estate over and above our regular maintenance programme, to ensure they are great places to work, volunteer, shop and donate (Financial sustainability)
- Lottery outsourcing – moving the lottery to an external provider (Financial sustainability)
- Retail e-commerce – commissioning a scoping exercise to understand options and potential gains (Financial sustainability)
- Developing a more robust, data-driven/financially costed model to support the local system to invest in PEO LC (Financial sustainability and Priority one)
- Developing our approach to data PHASE 2 – implementation of the prioritised data roadmap (Improving our operating model)
- Creating more spaces for confidential clinical conversations and consultations (Improving our operating model and Priority one)
- Developing our website – carrying out a strategic review and producing a roadmap for future investment (Improving our operating model).

In addition, we have identified areas of focus under each strategic priority.

**Priority one: We will develop and expand our specialist care capabilities. We’ll focus on providing the right care by the right person at the right time and in the right place.**

In 2023/24 we will:

- Review our approach to responding to and learning from patient safety incidents based on the NHS Patient Safety Incident Response Framework (PSIRF)
- Use thematic analysis to better understand user experience and feedback
- Implement newly redesigned clinical pathways (Referrals to the Hospice, Bereavement and Carer/ pre-bereavement support)
- Establish a new Wellbeing Breathlessness programme to enable patients to manage their breathlessness more effectively
- Support Trainee Nurse Associates (TNA) as part of Surrey Heartlands TNA development programme.

**Priority two: We will empower and support people in our communities who are caring for people at the end of life. We'll make sure that everyone can make use of our services by providing accessible care and support.**

In 2023/24 we will:

- Develop a learning and disability outreach programme
- Expand the Compassionate Neighbours programme, improving support for people with dementia
- Work with other charity partners, scope a programme for palliative and end of life care in the homeless community
- Streamline the transition from carer support to bereavement so that people do not feel abandoned by the Hospice on the death of their loved one.

**Priority three: We will continue to enhance our education, research and learning programmes to encourage and support an environment for innovation and excellent care.**

In 2023/24 we will:

- Deliver training for all staff in caring for people with a learning disability and Autism using the Oliver McGowan Mandatory Training tool
- Utilise the Practice Educator role to drive delivery of education and measure the role's impact
- Provide learning opportunities for Home Care Providers by developing a "community of practice"
- Drive digital skills within the organisation through the newly developed Digital Skills Programme.

**Priority four: We will enhance our collaborative influence on palliative and end of life care, through leadership and advocacy, both locally and nationally.**

In 2023/24 we will:

- Continue to prioritise collaborations and partnerships that are most likely to lead to improvement in the quality of or access to end of life care
- Participate in research projects which influence the improvement in the way end of life care is delivered in all settings
- Explore with the Board and SLT the extent to which the Hospice is comfortable developing a public affairs competency and participating in debates on topics where there is no clear consensus
- Share our expertise with others within the wider hospice sector, across healthcare systems in which we work and by presenting care and service developments at conferences and seminars.

We recognise that we have again set ourselves an ambitious work programme and we will continue to support our colleagues to help us achieve it. This will include further investment in education, training and leadership development so that people have the skills to be able to do their best work, and our Wellbeing support programme so that they have the resilience.

# Structure, governance and management

## Our Structure

Princess Alice Hospice was incorporated as a company limited by guarantee on 25 November 1981 and is governed by its Articles of Association. We are registered with the Charity Commission in England and Wales. Our registered office is at West End Lane, Esher, Surrey KT10 8NA.

## Our Objectives

We are an independent charity that provides free palliative and end of life care to people on our In-Patient unit and in their homes or care settings. We cover a large part of Surrey, south west London and Middlesex, delivering our person-centred, compassionate care to patients, families, carers and close friends before, during and after death.

Our renowned Education and Research team aims to improve end of life care knowledge and to steer best practice across the wider health and social care landscape. This work is only made possible by fundraising and community support alongside the NHS funding we receive each year.

## Our Trustees

Our Board of Trustees is responsible for overseeing the Hospice's strategy and performance. It is chaired by Sean Hilton; Deborah Bowman has served as Vice-Chair since September 2022 (Jeannine Nolan until September 2022).

The Trustees are the directors of Princess Alice Hospice for the purposes of the Companies Act 2006. They are not paid. There is a short biography of the Trustees on pages 50 – 51.

The Board meets regularly throughout the year to set and review strategy, approve the annual budget, review policies and maintain oversight of all Hospice operations. A Strategy Day is held annually to allow more in-depth strategic discussions and develop future plans. Members of the SLT attend Board meetings to report back on performance and progress against strategic objectives. In depth "spotlight" sessions and business reviews are delivered by members of the management team, a practitioner working in front line services or a family member representing "patient voice". This allows the Board to gain a deeper understanding of the organisation.

## Governance review

In Summer 2022 the Board commissioned an external governance review via Digi-Board and the results were presented back at Strategy Day in October 2022. This resulted in changes to the structure of some of the committees and the frequency of meetings. There has been a continued focus on improving meeting agendas and papers, use of pre-read packs to make the most of face-to-face time for discussion and decision-making. The use of hybrid meetings has been retained to maximise contribution from Trustees and Advisory Members and to support diversity. The Board has committed to upgrading the Hospice's meeting room technology to allow those joining remotely to have the best possible experience.

## Board Committees

The Board delegates powers and responsibilities to Committees, more details of which are given below. The Board believes that this enables more detailed discussion and understanding of key areas of the organisation. Each Committee has terms of reference defining membership, responsibilities and delegated authority. These are reviewed annually by the Committee and approved by the Board. There is an annual process of review to give the Board assurance that the Committees are working effectively. Minutes of Committee meetings are on the agenda for the following Board meeting and Committee Chairs provide a summary report for the Board on the major issues discussed and decisions taken.

**The Clinical and Community Quality Assurance Committee (previously Clinical Strategy and Governance),** chaired by Heather Patel, is responsible for overseeing clinical strategy, and education and research. As a result of the governance review, the committee took on oversight of community engagement and support from January 2023. It provides assurance on the development, implementation, safety and effectiveness of the services delivered by the Hospice. It monitors activity, performance and risks against the annual business plan, raising issues to the Board where appropriate. It also oversees relationships with our health and social care partners regarding grants, contracts and service level agreements. The Committee monitors health and education policy and regulation and keeps the Board informed as appropriate.

**The Finance and Resources Committee (previously Finance and General Purposes Committee),** chaired by Despina Don-Wauchope, oversees the finance and resources of the Hospice. It is responsible for reviewing and recommending to the Board the annual budget and financial strategy and monitoring performance against budget during the year. It oversees the investment of the Hospice's funds, recommending on the appointment of an investment manager and reviewing their performance annually. In addition, the Committee is responsible for overseeing capital expenditure, estates and infrastructure. As a result of the governance review, the Committee took on oversight of People Services (including volunteering) and Marketing and Communications from January 2023.

**The Income Generation Committee,** chaired by Gail Cookson, is responsible for the identification, development, implementation and effectiveness of all income generation activities (except for NHS grants) including the Hospice's retail portfolio. It ensures compliance with all regulatory requirements impacting the Hospice's income generation activities.

**The People and Communities Committee (until December 2022),** chaired by Karen Roberts, had oversight of the development, implementation and effectiveness of the People Plan, diversity and inclusion, community engagement, communication and marketing programmes. It monitored and reviewed HR governance and the volunteer strategy. As a result of the governance review, these responsibilities were moved to other committees from January 2023 and the committee was disbanded.

**The Remuneration and Nominations Committee,** chaired by the Board Chair, has a membership of the Committee Chairs, the Vice-Chair of the Board, the Chief Executive (CEO) and Company Secretary (nominations only). It meets twice a year to consider the skill mix of the Trustees, Committee membership and succession planning. Once a year it reviews the performance of the SLT and the CEO and makes recommendations on their remuneration. The Committee also oversees the recruitment process for Trustees, Advisory Members and SLT.

**The Audit and Risk Committee,** chaired by Tim Hewens, oversees risk management and governance processes, external audit and internal risk and quality reviews. It reviews the management of systems for internal control and advises the Board on exposure, mitigation and lessons for continuous improvement. It manages the relationship with the external auditors, reviews feedback on their performance and value for money and advises on reappointment as appropriate.

### **Trustee and Committee advisory member recruitment**

The Board believes it is vital to get a mix of Trustees with the right skills, experience and knowledge to support the Hospice to deliver its charitable objectives. Trustees are initially appointed for two years and may then be reappointed for up to two more four-year periods (up to a maximum of 10 years). The Board has a good gender balance and is committed to increasing the representation of people from ethnic minority backgrounds, different perspectives and life experience as part of our Equality, Diversity and Inclusion strategy.

At the AGM in September 2022 the Board said farewell to Jeannine Nolan and Sean Watson at the end of their ten-year terms of office. The Board recognised and thanked them for their outstanding contribution to the Hospice. In addition, Monica Harding stepped down as a Trustee in October 2022 due to the pressure of external commitments, having served two years. The Board are very grateful for her time.

There was an external recruitment campaign in May 2022 focussed on recruiting Trustees with senior digital experience. The Board was delighted to welcome José Sanchez Loureda and Tatenda Mazivanhanga as Trustees to support the Hospice in realising its digital ambitions. In addition, Jonathan Perkins joined the Board in December 2022. Jonathan brings with him extensive experience of local healthcare structures.

At the Board meeting in March 2023 it was agreed to appoint Ros Irving as a Trustee. Ros has been an advisor to the Strategic Change Group since April 2022, supporting the Board and SLT to monitor the cross-organisational change plan to enable strategic development. Ros was appointed in April 2023.

The Remuneration and Nominations Committee reviewed the skills and knowledge of current Board members in November 2022 and identified some key skills gaps over the next few years as longer-standing Trustees step down at the end of their tenure. As a result, a recruitment campaign was launched in February 2023 focussed on attracting Trustees with senior finance and fundraising experience.

In addition to Trustees, the Board may invite individuals to become advisory members to Committees. This is typically someone with relevant specialist expertise in the Committee's area of responsibility. These appointments are normally for an initial period of up to two years. During this time, the person may be invited to become a Trustee, or they may continue as a committee advisory member. Their appointment may be renewed by mutual agreement, and the Board may end the appointment at any time. During the year, there were 9 committee advisory members serving on Board Committees.

Maxine Obeng stepped down as an advisory member at the end of 2022/23 and Jon Cunliffe stepped down in June 2022. Esther Kitto has taken a six-month sabbatical from February 2023. The Board are very grateful for the time and commitment they have given to the Hospice. There were no new committee advisory members recruited during the year. Details of the current advisory members can be found on page 51.

New Trustees and advisory members receive an induction and training specific to their role, coordinated by the SLT lead for the area and respective Committee chair. They also attend the Hospice's induction day for all new employees and volunteers. The Chair and Vice-Chair follow up individually newly recruited Trustees and advisors to ensure that they feel supported and informed.

## Senior Leadership Team

The Hospice's internal management structure is made up of eight directorates, each led by a member of the team.

These directorates are:

**Patient care and communities** – responsible for in-patient care, community care, wellbeing services, therapies, social work, bereavement care, spiritual care and community engagement and support.

**Medical** – responsible for palliative medical care in all settings and covering doctors, including consultants.

**Finance and Operations** – responsible for finance, company secretarial and governance, facilities, front of house, health, safety, environment and business continuity, housekeeping and catering.

**People and Organisational Development** – responsible for human resources, volunteering and organisational development.

**Income Generation** – responsible for all income generation activities, apart from NHS income.

**Digital, Technology, Data and Performance** – responsible for ICT, digital, data and performance.

**Marketing and Communications** – responsible for marketing, external and internal communications.

**Education and research** – responsible for internal and external education programmes and research activities.

## Financial review

The COVID-19 pandemic has had a minor impact in 2022/23 in terms of workforce sickness absence and continuing requirements for PPE on the In-Patient Unit in the early part of the year. We have not seen any direct business impact of the Russian invasion of Ukraine but we have been impacted by the economic uncertainty. We have seen a sharp rise in energy costs, partly mitigated by Government support, and high inflation impacting the labour market and the costs of goods and services.

Our main income streams continue to be legacies, NHS funding, fundraising and retail, which are discussed in more detail below.

### Legacies

Legacies accounted for 41% of our net income in 2022/23 (2022: 34%). In 2022 the Hospice commissioned updated forecast information from Legacy Foresight, a specialist legacy sector analysis company, and this is used as a basis for budgeting and business planning. We use information available to us from notifications, solicitors and estate accounts to produce monthly KPIs to monitor future income. This should enable us to identify whether any fluctuations in legacy income are short-term, or part of a longer-term trend, so that we can adapt our plans accordingly.

### NHS England COVID-19 funding

There was no NHS England COVID-19 funding programme in 2022/23. In 2021/22 the Hospice received £2,049,130 from a special funding programme set up to allow the hospice sector to provide patient care to support the NHS COVID-19 response. The income was restricted for patient care and was fully expended in 2021/22.

### NHS grants

NHS grants fund 20% (2022: 21%) of our expenditure on charitable activities. These are block grants based on historical practice and not related to the level of clinical activity undertaken. We have one-year grant funding agreements with Surrey Heartlands ICB and South West London ICB (CCGs until June 2022). The Board has assumed in its strategic plans that there would not be a significant drop in this source of income over the next few years.

### Fundraising and retail

As always, we are grateful for the support of our local community who have responded generously to our campaigns and appeals. Fundraising continued to be challenging in 2022/23 – the cost of living crisis has undoubtedly impacted on people's ability to give. Income from donations was £2,027,381, a fall of 12% on the previous year (2022: £2,311,295). Income from events improved, achieving £624,493 (2022: £449,611) but we have still not seen a return to pre-pandemic levels of over £800,000. We have expanded our use of social media to support fundraising activity online.

Our retail shops continued to recover strongly after the lifting of all COVID-19 restrictions, making a net contribution of £1,029,052 (2022: £335,374). This is a great result and we recognise the hard work of the employees and volunteers in the retail division that contributed towards it.

As part of the strategic plan for the future of our retail portfolio, we exited our Molesey Distribution Centre during the year and moved to smaller premises in Hersham. In addition, our Bromley store closed in January 2023. We will continue to optimise the contribution of our retail shops, in terms of profitability, raising awareness of the Hospice, and as part of their local community.

### **Going concern**

The Board and the Finance and Resources Committee closely monitors the ongoing impact of the Russian invasion of Ukraine, economic uncertainty and any residual impact of the COVID-19 pandemic on both short and longer-term operations. A range of budget scenarios have been considered and cash flow forecasts prepared in response to scenario planning. The Trustees are satisfied that, even under the worst-case scenario considered, there are sufficient funds in current bank and building society accounts, together with investment funds, to continue operating and meet liabilities as they fall due for the foreseeable future.

The Board's view, therefore, is that the Hospice's balance sheet is sufficiently robust to provide resilience and that our reserves should allow the Hospice time to respond with reduction of services and cost savings if income projections indicate a significant reduction over the next three years.

### **Reserves**

As noted above 41% of our net income comes from legacies; this income stream is hard to predict for any one year and can be subject to significant variation. Our patients and families rely on us for end of life care and the majority of our costs are staff costs. It would not be possible for us to cease or substantially reduce our activities immediately so we hold higher reserves than charities who do not directly provide services. The Board maintains scrutiny over the external environment and uncertainties related to all of our sources of income. We carry out financial planning and produce a three-year projection of income and expenditure, cash and reserves.

The Trustees have set aside funds in a designated Running Costs Reserve to meet future charitable expenditure in the event of a significant short-term drop in income. This has a target of nine months' (plus or minus three months') budgeted charitable expenditure for the year ahead. The balance on this reserve at the year-end represented 12 months (2022: 12 months) of the Hospice's budgeted charitable expenditure for 2023/24.

The Board has approved a deficit budget again in 2023/24 and the current projection shows a return to a balanced budget in cash terms by 2024/25. There is still a degree of uncertainty around this; the increase in energy costs has been mitigated by Government support but this support will be reduced from April 2023. We have seen the impact of rising inflation on consumables and services, as well as the need to pay the market rate to recruit and retain the skilled workforce that we need to deliver our care. The NHS Staff Council agreed the NHS pay award for 2022/23 and 2023/24 on 2 May 2023 although it remains in dispute with some unions. The Board have agreed to match the NHS pay award for 2023/24. The Board feels very strongly that it is vital we maintain our services to support NHS partners in the local health economy during a time of significant disruption due to strikes and staff shortages. However, the Board is also aware the Hospice cannot continue to set a deficit budget. We receive considerably less than the average NHS funding for hospices and have to make up the shortfall from voluntary income. There is no doubt that the cost of living crisis has affected people's ability to give. If it is not possible to increase voluntary income and no increase in NHS contribution is forthcoming then services may be impacted in the future.

The Trustees have established a designated fund, the Strategic Development Reserve, to support the delivery of the Hospice's strategic objectives. Expenditure of £230,795 was incurred from this fund in 2022/23 (2022: nil) for the delivery of nine strategic change projects. Some of these projects will continue in 2023/24 and further new projects are planned (see page 10 for details). The reserve is expected to be fully expended over the next two years and expenditure of up to £759,000 has been agreed for 2023/24.

The Trustees have established a designated fund, the Sustainable Building Development Fund, to fund sustainable building development initiatives, including bringing the older part of the Hospice building, which is now 17 years old, up to modern standards of energy efficiency and fit for purpose for new ways of working. Expenditure of £102,218 was incurred in 2022/23 (2022: nil) on upgrading older offices, including installation of LED lighting. Projects approved for 2023/24 are the installation of solar panels, replacement of air conditioning condensers and upgrading our generator so that we can maintain operations in the event of a prolonged power outage.

Notes 5 to 7 of the Financial Statements (see pages 42 – 43 below) provide more detail on these and other reserves.

## **Investments**

As set out in the Articles, the Trustees may invest the Hospice's reserves in banks and building society deposits, stocks, funds, shares or other securities they feel to be appropriate. The Hospice's investments are managed on a discretionary basis by Cazenove Capital Management, a firm of professional investment managers. As at 31 March 2023, the Investment Portfolio totalled £3,069,791 (2022: £3,203,711). The market value of the Investment Portfolio decreased by £172,012 (2022: £164,758 gain) during the year.

Currently the only ethical restriction imposed by the Board is that there must be no direct investment in any securities issued by tobacco companies.

The Hospice has adopted a socially responsible approach to investment allowing ethical considerations to be taken into account whilst ensuring there is no significant detrimental impact on the investment return. Investments should deliver the best return for the Hospice, adhere to the agreed risk profile and also show compliance with any Environmental, Social and Governance (ESG) principles that are agreed by the Board. Due to market volatility in 2022/23 it was not considered prudent to invest further funds. If conditions stabilise and surplus funds are identified for investment in 2023/24 then consideration will be given to investing in ethical and responsibly screened multi assets funds.

The Finance and Resources Committee and our investment manager regularly review the performance of the investments in meeting the Hospice's investment policy.

More details about our investments are in Note 11 of the Financial Statements (see page 45 below).

## Environmental, Social and Governance (ESG)

As a Charity we are established for public benefit. We are committed to making a positive contribution to the environment, delivering our services responsibly and in accordance with the highest standards of good governance.




### Environmental






We recognise the increasing and urgent need to improve environmental sustainability and the growing expectations from our stakeholders to proactively demonstrate those improvements. We are continuing to develop our reporting in this area. In this section we present our Streamlined Energy and Carbon Reporting (SECR) report on our greenhouse gas (GHG) emissions, look at the actions we have taken to improve our sustainability and our plans for the year ahead.

### SECR reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implement the SECR requirements. These require us to report on our GHG emissions in relation to use of gas, electricity and vehicle fuel, including the methodology used to calculate the emissions and a benchmarking intensity ratio to allow on-going comparisons in future years. Information on actions identified to improve energy efficiencies is also required.

The Hospice has met two of the qualifying criteria for reporting GHG emissions for the past three consecutive years. The data below covers the latest qualifying financial year 2022/2023.

Emission Activities	Emissions (tCO <sub>2</sub> e)			Total kWh		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
<b>Emissions: Scope 1</b>						
	158.00	173.73	143.10	858452.00	948516.09	795022.18
	11.55	23.23	17.25	48049.99	98136.21	72258.31
<b>Totals</b>	<b>169.55</b>	<b>196.96</b>	<b>160.35</b>	<b>906501.99</b>	<b>1046652.30</b>	<b>867280.49</b>
<b>Data sources:</b>						
▪ Gas and Hospice vehicle fuel invoices						
<b>Emissions: Scope 2</b>						
	174.12	222.00	194.10	746845.00	1045522.30	1003733.90
<b>Total</b>	<b>174.12</b>	<b>222.00</b>	<b>194.10</b>	<b>746845.00</b>	<b>1045522.30</b>	<b>1003733.90</b>
<b>Data sources:</b>						
▪ Hospice - smart meter						
▪ Retail – supplier invoices						

<b>Emissions: Scope 3</b>						
	31.06	35.41	26.73	125277.59	143946.80	108334.40
	N/A	N/A	1.51	N/A	N/A	N/A
	N/A	N/A	2.61	N/A	N/A	N/A
	N/A	N/A	2.76	N/A	N/A	N/A
	14.97	19.65	17.76	N/A	N/A	N/A
<b>Totals</b>	<b>46.03</b>	<b>55.06</b>	<b>51.37</b>	<b>125277.59</b>	<b>143946.80</b>	<b>108334.40</b>
<b>Data sources:</b>						
<ul style="list-style-type: none"> <li>▪ business mileage from expenses claims</li> <li>▪ water usage and waste water treatment volumes taken as 'chargeable volumetric values' (m<sup>3</sup>) from supplier invoices – water treatment volumes vary between 95% to 100% of water used</li> <li>▪ working from home (full time equivalent (FTE) hours) – People Services database</li> <li>▪ electrical transmission/distribution based on Scope 2 data</li> </ul>						
<b>Totals (all Scopes)</b>	<b>389.70</b>	<b>474.02</b>	<b>405.82</b>	<b>1778624.58</b>	<b>2236121.40</b>	<b>1979348.79</b>

**Intensity Ratios : Directly Comparable Values (excluding new reporting domains)**

Intensity Ratio	2020/21	2021/22	2022/23
Intensity ratio = tCO <sub>2e</sub> / FTE	1.23	1.59	1.33
Intensity ratio = tCO <sub>2e</sub> / unit sold	0.001 (≅ 1.0 kgCO <sub>2e</sub> / unit sold)	0.0004 (≅ 0.4 kgCO <sub>2e</sub> / unit sold)	0.0003 (≅ 0.3 kgCO <sub>2e</sub> / unit sold)

**Notes**

- Domains are the activities recommended to be reported against when calculating organisational CO<sub>2e</sub> emissions, eg gas, electric usage, business mileage, etc
- The 2022/2023 intensity factor of 1.33 is a direct comparison to the 20/21 and 21/22 values as it excludes the new reporting domains
- The tCO<sub>2e</sub> and FTE values used are for Hospice and Retail combined

**Intensity Ratios: Non-comparable Values (including new reporting domains)**

Intensity ratio = tCO <sub>2e</sub> /FTE(organisational)	-	-	1.35
Intensity ratio = tCO <sub>2e</sub> / unit sold	-	-	0.0003 (≅ 0.3 kgCO <sub>2e</sub> / unit sold)

**Notes**

- These intensity factors include the emissions from the newly added domains, ie those from refrigerants, water usage and treatment, and working from home

## General Notes on the Emissions Reporting

1. Emissions associated with refrigerant use (Hospice), Hospice and Retail water usage and treatment, and employees working from home are newly introduced reporting domains and accounted for 6.88 tCO<sub>2</sub>e.
2. Retail moved from the large Distribution Centre warehouse to smaller premises in July 2022 and closed one shop, which were contributory factors in the CO<sub>2</sub>e emissions reductions this reporting year.
3. Water usage and treatment volumes (m<sup>3</sup>) were taken as the 'chargeable' volumetric value from invoices.
4. Some water usage and treatment volumes have been estimated against an average value for the premises across several reporting months, or where no data is available, data from comparable premises is used – data from invoices was predominantly based on estimated usage, so actual data accuracy is questionable this year, although this should improve with future reporting.
5. There was an organisational reduction of 68.20 tCO<sub>2</sub>e (approximately 14%) emissions this reporting year, despite the addition of new reporting domains and a reduction of 256,772.70 kWh.
6. The Hospice accounts for around 64% of organisational emissions, and Retail 36%.
7. The comparable intensity factors (excluding the new domains) indicated a reduction of 260 kgCO<sub>2</sub>e per full time equivalent (FTE), and 0.1 kgCO<sub>2</sub>e per Retail unit sold.
8. Intensity factors including the new reporting domains, still showed a reduction of 240 kgCO<sub>2</sub>e per full time equivalent – there was no change in the Retail CO<sub>2</sub>e emissions per unit sold.
9. New intensity factors which specifically consider the CO<sub>2</sub>e emissions associated with Hospice activities and Retail activities separately indicate that the Hospice has a lower emissions level per FTE than Retail, by a factor of 0.43 which is equivalent to 430 kgCO<sub>2</sub>e per FTE, although there was a reduction of 0.2 kgCO<sub>2</sub>e per unit sold.
10. Some of the factors responsible for the reduction in CO<sub>2</sub>e emissions relate to actions we have taken and are discussed in the section below.

## Methodology

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition March 2004)
- The UK Government GHG Conversion Factors for Company Reporting 2022 (for the 2022/2023 reporting year), including Homeworking emissions calculated from the EcoAct, 2020 'Homeworking Emission Whitepaper'
- HM Government: Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)
- The Hospice will follow the rolling base year comparative option to more easily compare year on year environmental performance, and to minimise the COVID effects between 2020 and 2022.

## Plans and actions

We have implemented the majority of the recommendations from our last Energy Savings Opportunities Scheme (ESOS) Report. Here are some of the actions taken during 2022/23 and our plans for 2023/24:

### Lighting

We continued with our programme to replace older, energy inefficient lighting, eg fluorescent lights, with energy efficient LED lights. We have replaced the lights in around 80% of the main Hospice building and will complete this project in 2023/24. The lighting in many of our shops has also been upgraded during the year. Motion sensors are being installed around the Hospice in areas such as stores and loft spaces to reduce wastage.

## **Heating, ventilation and air conditioning**

We are continuing to look at a centrally controlled temperature system to stop unreasonable demands on the system and will be starting the scoping phase for this shortly. A programme of planned preventative maintenance is in place to maximise system insulation and efficient operation, including identifying key components for replacement where they cannot maintain the required efficiency levels. In 2023/24 we have budgeted to look at replacing some of our air conditioning condensers which are now 17 years old.

## **Energy monitoring and management**

We are currently in fixed term contracts with our energy suppliers that expire in 2023. We will use the Hospice Quality Partnership approved broker Focus Energy again to support us with the renewal process. Streamlining the energy procurement process for both gas and electricity across all Hospice premises, including Retail, will optimise buying power, influence and support effective, cohesive energy management. Using available data, we will look at energy usage monitoring and how this can be used to promote/change behaviours and consumption.

## **Renewables and other energy reduction measures**

In June 2023 we installed solar panels on the roof of the main Hospice building. These will provide an estimated 50,000kWh of electricity per year (approximately 12% of the main building annual usage) all of which will feed back into Hospice demand.

## **Transport**

Hybrid working is now an established part of how we work and has helped to reduce travel to and from the Hospice. In 2023/24 we are upgrading our audio-visual equipment to improve the experience for people joining meetings and education courses via video conferencing. We are also scoping the use of acoustic pods to allow our clinicians to deliver remote consultations to patients and families in a dedicated confidential space.

The two electric car charge points at the main Hospice building installed in May 2022 have been well used by employees, volunteers and visitors. In July 2022 the facilities team were delighted to receive delivery of a new electric van to replace our older diesel vehicle.

The Hospice is not easily accessible by public transport and this is a barrier to encouraging people out of their cars. We will be reviewing our Cycle to Work Scheme in 2023/24 and re-launching an awareness campaign on the benefits of active travel to work.

## **Nature**

Biodiversity is encouraged in the Hospice grounds. We grow our own herbs for use in the Hospice kitchen. Our volunteer gardening team uses sustainable compost from our own compost heaps and does not use any products containing harmful chemicals or pesticides. The grounds provide significant wellbeing benefits to patients, visitors, staff and volunteers.

## **General**

Our Environment Working Group promotes environmental awareness and behaviours within the Hospice and captures improvement ideas and initiatives. We are identifying areas where key performance indicators (KPIs) and improvement targets can be set so that we can monitor our progress. We have also joined Hospice UK's Environmental Working Group to collaborate with other hospices and to share best practice.

## **Future initiatives planned for 2023/24**

### **Waste**

- Identify areas that generate a lot of waste and focus on reducing by promoting reuse, upcycling and recycling. We already make an important contribution to recycling in our local community via our retail shops
- Review use of plastics and look at alternative products – we have already replaced our disposable cups with Vegeware, which can be composted
- Contribute to the “Let’s Not Waste” healthcare working group.

### **Water**

- Identify areas of highest water usage and how this can be reduced
- Develop initiatives to increase reuse and reduce wastage.

### **Nature**

- Carry out a wildlife survey in our grounds
- Identify ways to support new, non-harmful species whilst maintaining our current biodiversity
- Promote the wellbeing benefits of nature.

### **Procurement**

- Review our approach to procurement, looking to partner where possible with suppliers that share our ethical standards whilst still ensuring best value for the Hospice.

## **Social**

We are committed to the highest standards of ethical behaviour and practices towards our patients, families, visitors, staff and volunteers. We also make a wider beneficial contribution towards human health and wellbeing through our education and research programmes. You can find further details on pages 7 – 8 of this report.

### **Public benefit**

As a Charity the Hospice is established for charitable purposes and for the public benefit. The Trustees give careful consideration to the Charity Commission’s guidance on public benefit when setting the Hospice’s aims and objectives and planning activities. Access to our services is on the basis of need and open to anyone via referral from a healthcare professional, or, in the case of bereavement support, self-referral. There is no charge to patients or their families for any of our current care services. Education is one of our charitable purposes and our education programme is delivered at or below cost, and in some cases for no charge.

### **Our people**

Our people are at the heart of what we do, we could not deliver outstanding care or raise the funds we need without them. Each year we thank them for their hard work, commitment and extraordinary contributions. This year we recognised the continued stress people are under as we emerged from the pandemic only to face economic turmoil caused by the invasion of Ukraine. The impact on personal resilience cannot be underestimated. We support wellbeing through our values-based culture, encouraging people to be open and honest about how they are feeling. In 2022 we delivered a Wellbeing Month with a variety of activities focussing on mental, physical and financial health. This is supported by a regular weekly email and a dedicated page on our People Services intranet hub. Employees also have access to the BUPA Health Minds service.

We have an employee forum “Our Voice” where employee representatives from across the organisation meet with management and trustees to hear about important issues affecting the workforce and to raise concerns from the area they represent. The forum is held quarterly and minutes are made available on SharePoint.

In 2022/23 the Hospice employed 408 people (2022: 416), the equivalent of 298 full-time employees (2022: 306).

We are immensely grateful for the support of our amazing volunteers who work alongside our employees. We could not deliver our services the way we do without them – they provide enormous added benefit to the Hospice and the people we help.

Around 1250 (2022: 1,200) volunteers support the Hospice in a variety of different roles. Some volunteer directly with our patients and families, as ward support volunteers, compassionate neighbours, bereavement support volunteers or complementary therapists, others support us with administrative tasks. Volunteers run our reception and coffee shop and keep our gardens looking beautiful throughout the year.

We could not raise the essential funds we need without volunteers. The largest group (around 550) support our retail operation, helping us to keep our shops open six or seven days a week or supporting us at the retail hub in Hersham. Other volunteers are involved in fundraising, including the Friends' Committees, which organise events in the community and promote the work of the Hospice to raise vital funds.

We also welcome volunteers from local companies, who donate their time for a day to support in the Hospice or in the shops, and people who can volunteer their skills and experience to support us with specific projects. We recruit volunteers through advertising. They attend an induction programme and receive initial and ongoing training. Service users such as patients, families and carers, who have expressed an interest in participating in service design, work with us on steering groups and in other activities where they can influence areas of service delivery.

## **Remuneration Policy**

We recognise that we have a duty to deliver our services effectively and maximise the use of our resources. To do this we need to attract and retain suitably qualified people with the right skills, knowledge and experience and pay them fairly and responsibly.

The market comparator for the majority of our clinical roles is the NHS. We directly employ medical consultants, doctors, nurses and other allied professional healthcare staff and in order to recruit and retain qualified and experienced professionals we pay them at a rate equivalent to the relevant national scale.

For the remainder of our roles, when setting salaries, we take into account the knowledge, skills, experience and effort needed for the job and market forces affecting recruitment, which may be local or national. We also benchmark against available information such as comparable roles being advertised locally and charity salary surveys. We take part in such surveys ourselves and benchmark against a range of our peers.

## **Governance**

Governance is not only about how the Hospice is governed but also how we set out to address risks and opportunities, our culture and values and how we consider our own sustainability and impact as part of wider society. You can find further details on pages 18 – 22 and 27 – 28 of this report.

Equality, diversity and inclusion remain a strong priority for the Board but attracting a diverse pool of applicants for Trustee roles continues to be challenging. A working group has been set up to review how processes and procedures might be improved to remove barriers to diverse recruitment and to better support new Trustees and committee advisors. The group will report back to the Board during 2023/24.

The Board is committed to maintaining the highest standards of governance and carries out an annual self-assessment against the Charity Governance Code (the Code) as a tool to support continuous improvement.

## Statement of Trustee's responsibilities

The Trustees (who are the Directors of the Hospice for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in line with the law and the regulations that apply. Under company law, the Trustees must prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare such statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). By law, these statements must give a true and fair view of the Hospice's finances and of the income and expenditure for the financial year.

When preparing these financial statements, the Trustees must:

- Choose suitable accounting policies and follow them consistently;
- Keep to the methods and principles in the Charities' Statement of Recommended Practice (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a 'going concern' basis, unless the Hospice is unlikely to continue in business.

The Trustees must keep proper accounting records that disclose the Hospice's financial position to a reasonable level of accuracy at all times and make sure that the financial statements comply with the Companies Act 2006. They are also responsible for protecting the Hospice's assets and taking reasonable steps to prevent and detect fraud and other unusual activity.

The Trustees believe they have taken all the necessary steps to make the auditors aware of any relevant audit information and have given the auditors a written undertaking to that effect. They also believe that they have identified the major risks that the Hospice faces. These have been reviewed, and systems have been put in place to reduce these risks as far as possible.

## Auditor

Mazars LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

# Fundraising Regulation

Princess Alice Hospice is registered with the Fundraising Regulator (FR) and committed to adhering to the Code of Fundraising Practice. We review compliance through audit and monitoring feedback, and take corrective action where required.

## Standards and monitoring

We are committed to following the highest ethical standards and ensuring a quality supporter experience. We have detailed policies and procedures in place that in many cases go beyond the minimum requirements for the sector, and we regularly monitor ourselves and our agencies through a range of methods (including regular internal audits and call listening). This helps ensure all Hospice fundraisers, and those who work on our behalf are aware of, and adhere to, our high standards. Some of our fundraising activity is conducted on our behalf, by carefully selected professional fundraising agencies. We also work with agencies to telephone existing supporters to talk about their donation and, on some occasions, to ask for a further donation. We work very closely with our agencies to make sure they represent our work and our organisation to the highest standards. None of our fundraisers, whether employed by us or one of our agencies, are paid on a commission basis.

## Complaints

We report our complaints on a calendar year basis to comply with the Fundraising Regulator's requirements. From tens of thousands of transactions, the number of complaints we received for the 12 months to 31 March 2023 regarding fundraising was four (2022: zero).

In addition, we had one complaint relating to our Retail operation which was referred to the Regulator with the outcome given below:

In April 2022 a member of the public complained to the FR regarding the poor service and supporter experience received in November 2021 when trying to donate furniture for resale in one of our retail shops. At that time, we had recently outsourced our furniture collection and delivery service to an external contractor.

We were formally notified by the FR of their intent to investigate this complaint in November 2022. The investigation found the Hospice to have breached a number of standards as outlined in the FR code:

**1.3.1** – Fundraising materials must not mislead anyone, or be likely to mislead anyone, either by leaving out information or by being inaccurate or ambiguous or by exaggerating details.

- It was found that we did not provide sufficient information on our website to explain that we may refuse furniture items that are not in good condition and that the driver collecting the items has the discretion to make this decision.

**1.3.6** – All reasonable steps must be taken to treat a donor fairly, so that they can make an informed decision about any donation.

- It was found that insufficient information was provided for supporters about how liability for damage or failures by the third-party contractor would be dealt with.

**2.4.3** – Complaints must be responded to fairly and in a way that is in proportion to the complaint.

- It was found that we did not fully follow our internal complaints policy as we did not offer the complainant an opportunity to refer the complaint to the Chair of Trustees.

We have complied with all of the Fundraising Regulator's recommendations in respect of this complaint, including updating of our website to ensure additional information regarding donation acceptance/liabilities is clear. We have also organised refresher training for shop and other relevant staff in dealing with complaints.

### **Managing communications**

Most people who donate to us want to know how their money is making a difference. We ask whether they would like us to keep in touch with them so we can update them on our work and how they've helped us. From time to time, we ask supporters if they would like to support us further – for example, by increasing their donation or by taking part in a particular event. Sometimes, we need to share information with authorised people or organisations so they can deliver services. If this is the case, we only give them the information they need to do so – and we always make sure that they will protect information with security and confidentiality processes equivalent to ours.

We ask supporters how they would prefer us to communicate with them. We give them the option to let us know if they prefer less contact or no longer wish to hear from us, and always respect their wishes. We never share, swap, rent or sell our supporters' details to any other charities or third parties for marketing purposes.

### **Our Fundraising Promise**

We will commit to high standards.

We will be clear, honest and open.

We will be fair and reasonable.

We will be respectful.

For further details please see our privacy policy at [www.pah.org.uk](http://www.pah.org.uk)

# Principal risks and uncertainties

**The Audit and Risk Committee (A&RC) oversees the Hospice's risk management and governance processes on behalf of the Board.**

The Hospice maintains an organisational risk register with risks assigned to the SLT lead for each area of business. The SLT review the register on a regular basis and risks can be escalated or de-escalated at any time, informed by the individual directorate risk registers that sit below it.

The organisational risk register helps us to prioritise risks in terms of the effect they might have and how likely they are to occur. The register also identifies the controls, systems and procedures in place for mitigation. Each Trustee Committee considers whether anything in their discussions has impacted scoring of any risks.

The top scoring risks on the organisational risk register are lifted onto the Main Risk Register. This has six risk areas that the Board feels impact the Hospice most, but other persistent high scoring risks are also monitored. The A&RC reviews and monitors the risk registers in detail at each meeting and risk is a standing item on every Board agenda. The Board formally reviews and approves the risk register annually.

Along with every other charity, corporation and organisation, the Hospice had to adjust its policies and operations to meet the challenges of the COVID-19 pandemic which impacted on every main risk area. Although most restrictions have been removed the Trustees continue to monitor the business impact of living with COVID-19 during 2023/24.

The Hospice has experienced a significant rise in energy costs as a result of the Russian invasion of Ukraine, as have many UK businesses. This has been partly mitigated by support from the Government, although this is set to reduce from April 2023. We have seen the impact of high inflation through increased costs of services and consumables. One of our main risks is recruitment and retention and we continue to face a challenging jobs market locally. The current industrial action by NHS staff is a serious concern. We matched the percentage increase awarded to the NHS in 2022/23 to mitigate the risk of losing staff and have matched the 5% offer for 2023/24 made in March 2023.

The longer-term economic impact of the UK leaving the EU, the pandemic and the conflict in Ukraine remain, and will remain, a significant concern/risk for the Board and its Committees.

## **Our Main Risk areas are:**

**Income – inability to generate sufficient income to deliver our charitable activities.** We have diversified our income streams, monitor our finances and cash position closely and have an appropriate level of reserves to withstand short term funding fluctuations. If we identify a longer-term trend of falling income, our reserves will ensure continuity of service provision whilst we seek other sources of funding or implement an appropriate cost reduction programme.

**People – inability to recruit and retain the people with the right attitude, skills and knowledge we need across the organisation.** We carry out workforce planning and monitor supply and demand carefully, introducing new roles and diversifying skills and competencies to make scarce resource go further. We have developed a new "People Plan" for the strategic period 2022 – 27 which supports effective recruitment, development and retention. We also carry out employee satisfaction and wellbeing surveys.

**Culture/morale – inability to align our culture with changes that we need to make and that are being made in the environment within which we work.** The Board and SLT recognise that our people are at the heart of all we do and that it is essential that our employees and volunteers understand what is important to us, our patients and families and the communities that we work with. We are open and

transparent in our communications, share our business decisions and rationale and take steps to ensure that the organisational strategy is known and understood throughout the organisation. We monitor the effectiveness of these steps by conducting regular employee and volunteer engagement surveys.

**Health and Social Care Environment – the risk that changes in the health and social care environment will impact on our NHS funding and/or our ability to continue to deliver palliative and end of life care and support.** Senior colleagues work in partnership with health and care professionals and organisations across local health economies, demonstrating the impact of the care that we deliver. As new structures emerge, we take every opportunity to ensure that we have effective representation and continue to advocate for the needs of patients facing the end of life.

**Reputation – risk of reputational damage.** As a sector leader, our reputation is of vital importance. We have a comprehensive set of policies and procedures in place to ensure compliance with best practice and legislation. All comments and complaints are responded to and investigated promptly to ensure that lessons are learned for organisational improvement. This is supported by our communications strategy. In 2021/22 the Hospice was inspected by the CQC and achieved an overall rating of “Outstanding” for the second consecutive time.

**Business continuity – risk of fire, flood or other environmental events that impact on our ability to operate.** We reviewed our business continuity plan in 2022/23 and have established a steering group to ensure that our contingency plans for maintaining services and operations are robust and up to date. We have a disaster recovery server with a dedicated internet connection which can be brought online very quickly to ensure continued access to patient records and other business critical information. Staff receive regular training on dealing with emergency situations, including evacuation of the premises if necessary. Elements of the plan are tested on a regular basis. Our ability to continue to deliver care and support and maintain our operations during the COVID-19 pandemic has provided reassurance to the Board.

Approved by the Board of Trustees on 19 July 2023 and

signed on its behalf by



Sean Hilton

Chair, Board of Trustees, Princess Alice Hospice

# Independent auditor's report to the members of Princess Alice Hospice

## Opinion

We have audited the financial statements of Princess Alice Hospice (the 'charity') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity and the group's affairs as at 31 March 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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 other information comprises the information included in the Strategic Report and Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within 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 and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

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

### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 24, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006, the Charities Act 2011 and the Charities Statement of Recommended Practice.

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

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

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

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

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

## Use of the audit report

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

*N J Wakefield*

Nicola Wakefield  
(Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

**Date: 22 September 2023**

# Consolidated statement of financial activities (including income and expenditure account)

For the year ended 31 March 2023

Consolidated	Notes	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds 2023	Total funds 2022
		£	£	£	£	£	£
<b>Income</b>							
<b>Donations and legacies</b>							
Donations	1.4	1,788,258	-	239,133	-	2,027,391	2,311,295
Legacies	1.4	4,116,775	-	-	-	4,116,775	3,840,693
NHS grants	1.4	2,178,440	-	-	-	2,178,440	2,106,148
<b>Other trading activities</b>							
Retail shops	2	6,989,644	-	-	-	6,989,644	6,042,851
Fundraising events	1.4	624,493	-	-	-	624,493	449,611
Trading subsidiaries	3	677,252	-	-	-	677,252	665,358
<b>Investments</b>	1.4	142,741	-	-	17,950	160,691	52,731
<b>Charitable activities</b>							
NHS England Covid-19 funding	1.4	-	-	-	-	-	2,049,130
NHS service funding	1.4	474,013	-	-	-	474,013	322,963
NHS continuing healthcare funding	1.4	87,793	-	-	-	87,793	55,183
Education	1.4	277,580	-	-	-	277,580	240,286
<b>Other income</b>							
Coronavirus Retail Grants	1.4	-	-	-	-	-	200,963
Coronavirus Job Retention Scheme	1.4	-	-	-	-	-	51,067
Other income	1.4	33,457	-	-	-	33,457	59,054
<b>Total income</b>		<b>17,390,446</b>	<b>-</b>	<b>239,133</b>	<b>17,950</b>	<b>17,647,529</b>	<b>18,447,333</b>
<b>Expenditure</b>							
<b>Expenditure on raising donations and legacies</b>	4	1,056,426	85,387	-	-	1,141,813	966,700
<b>Expenditure on other trading activities</b>							
Retail shops	2 & 4	5,911,387	49,205	-	-	5,960,592	5,707,477
Fundraising events	4	159,607	-	-	-	159,607	139,326
Trading subsidiaries	3 & 4	306,098	-	-	-	306,098	281,639
<b>Total expenditure on raising funds</b>		<b>6,377,092</b>	<b>49,205</b>	<b>-</b>	<b>-</b>	<b>6,426,297</b>	<b>6,128,442</b>
<b>Expenditure on charitable activities</b>							
In-patient care	4	5,115,881	42,096	6,238	17,553	5,181,768	4,761,107
Hospice at home	4	3,922,388	36,405	149,432	-	4,108,225	3,828,143
Community engagement and support	4	642,630	19,285	44,225	-	706,140	645,041
Education	4	954,430	4,886	-	397	959,713	801,056
<b>Total expenditure on charitable activities</b>		<b>10,635,329</b>	<b>102,672</b>	<b>199,895</b>	<b>17,950</b>	<b>10,955,846</b>	<b>10,035,347</b>
<b>Total expenditure</b>	4	<b>18,068,847</b>	<b>237,264</b>	<b>199,895</b>	<b>17,950</b>	<b>18,523,956</b>	<b>17,130,489</b>
<b>Net (expenditure)/income before gains/losses</b>		<b>(678,401)</b>	<b>(237,264)</b>	<b>39,238</b>	<b>-</b>	<b>(876,427)</b>	<b>1,316,844</b>
Net (losses)/gains on investments	11	(172,013)	-	-	-	(172,013)	164,758
<b>Net income</b>		<b>(850,414)</b>	<b>(237,264)</b>	<b>39,238</b>	<b>-</b>	<b>(1,048,440)</b>	<b>1,481,602</b>
Transfer to designated funds	5	(94,663)	94,663	-	-	-	-
Transfer from restricted funds	6	52,742	-	(52,742)	-	-	-
<b>Net movement in funds</b>		<b>(892,335)</b>	<b>(142,601)</b>	<b>(13,504)</b>	<b>-</b>	<b>(1,048,440)</b>	<b>1,481,602</b>
<b>Reconciliation of funds</b>							
<b>Total funds brought forward at 1 April 2022</b>		<b>1,430,345</b>	<b>18,763,095</b>	<b>79,864</b>	<b>905,041</b>	<b>21,178,345</b>	<b>19,696,743</b>
<b>Total funds carried forward at 31 March 2023</b>		<b>538,010</b>	<b>18,620,494</b>	<b>66,360</b>	<b>905,041</b>	<b>20,129,905</b>	<b>21,178,345</b>

Note 5

Note 6

Note 7

All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. The comparative figures for each fund are shown in Note 8. The Notes on pages 36 to 49 form part of these financial statements.

## Balance sheets as at 31 March 2023

	Notes	Group		Charity	
		2023	2022	2023	2022
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	9	32,114	71,867	32,114	71,867
Tangible fixed assets	10	5,540,825	5,820,191	5,540,825	5,820,191
Investments	11	3,069,791	3,203,711	3,070,891	3,204,811
<b>Total fixed assets</b>		<b>8,642,730</b>	<b>9,095,769</b>	<b>8,643,830</b>	<b>9,096,869</b>
<b>Current assets</b>					
Stock	12	13,784	16,732	-	-
Debtors	13	5,384,263	6,318,098	5,615,942	6,573,728
Cash on deposit		4,545,178	-	4,545,178	-
Cash at bank		3,191,313	7,236,261	2,868,376	6,887,633
<b>Total current assets</b>		<b>13,134,538</b>	<b>13,571,091</b>	<b>13,029,496</b>	<b>13,461,361</b>
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	(1,615,363)	(1,389,515)	(1,511,421)	(1,280,885)
<b>Net current assets</b>		<b>11,519,175</b>	<b>12,181,576</b>	<b>11,518,075</b>	<b>12,180,476</b>
<b>Total assets less current liabilities</b>		<b>20,161,905</b>	<b>21,277,345</b>	<b>20,161,905</b>	<b>21,277,345</b>
<b>Provisions for liabilities</b>					
Annuity provision	1.9	(32,000)	(99,000)	(32,000)	(99,000)
<b>Total net assets</b>		<b>20,129,905</b>	<b>21,178,345</b>	<b>20,129,905</b>	<b>21,178,345</b>
<b>The funds of the charity:</b>					
Endowment funds	7	905,041	905,041	905,041	905,041
Restricted income funds	6	66,360	79,864	66,360	79,864
Designated funds	5	18,620,494	18,763,095	18,620,494	18,763,095
Unrestricted funds		538,010	1,430,345	538,010	1,430,345
		<b>20,129,905</b>	<b>21,178,345</b>	<b>20,129,905</b>	<b>21,178,345</b>

Approved by the Board of Trustees on 19 July 2023 and signed on its behalf by:



Sean Hilton  
Chair



D. Don-Wauchope  
Honorary Treasurer

Consolidated cash flow statement for the year ended 31 March 2023

	Notes	2023	2022
		£	£
<b>Net (expenditure)/income for the year (as per the statement of financial activities)</b>	<b>b/fwd from page 33</b>	<b>(1,048,440)</b>	<b>1,481,602</b>
<b>Adjustments for:</b>			
Depreciation and amortisation	<b>9 &amp; 10</b>	725,662	725,253
Net loss/(gain) on investments	<b>11</b>	172,013	(164,758)
Investment income		(160,691)	(52,731)
Decrease in stock	<b>12</b>	2,948	11,862
Decrease/(increase) in debtors	<b>13</b>	933,835	(1,515,108)
Increase in creditors	<b>14</b>	225,848	488,702
(Decrease) in annuity provision	<b>1.9</b>	(67,000)	-
<b>Cash flows from operating activities</b>			
<b>Net cash provided by operating activities</b>		<b>784,175</b>	<b>974,822</b>
<b>Cash flows from investing activities</b>			
Investment income		160,691	52,731
(Purchase) of fixed assets	<b>9 &amp; 10</b>	(406,543)	(304,379)
Sale of investments	<b>11</b>	522,747	409,999
(Purchase) of investments	<b>11</b>	(560,840)	(441,108)
<b>Net cash (used in) investing activities</b>		<b>(283,945)</b>	<b>(282,757)</b>
<b>Increase in cash in the year</b>		<b>500,230</b>	<b>692,065</b>
<b>Opening balance at bank</b>		<b>7,236,261</b>	<b>6,544,196</b>
<b>Closing balance at bank</b>		<b>7,736,491</b>	<b>7,236,261</b>

## Notes to the Financial Statements

### FOR THE YEAR ENDED 31 MARCH 2023

#### 1. Accounting Policies

##### 1.1 Basis of preparation

These financial statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (“Charities SORP” (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) and the Companies Act 2006.

The charitable company, Princess Alice Hospice (the “Hospice”) 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(s).

The financial position of the Hospice is set out in the Trustees’ Annual Report. There has been little or no impact from the COVID-19 pandemic in 2022/23. Retail income has performed strongly. There have been no COVID-related Government grants for retail businesses in 2022/23 (2022: £200,963). (See note 1.4 for more details of these grants). The retail shops have benefitted from support with business rates.

The environment for fundraising continues to be challenging, particularly as people have faced a squeeze on their incomes due to high inflation and energy costs. Education activity has continued to increase with more face-to-face courses being offered.

There has been no NHS England funding via from Hospice UK to support the NHS COVID-19 response in the current year (2022: £2,049,130).

Cash flow forecasts have been prepared and a range of future scenarios considered. The Trustees are satisfied that, due to the level of cash and reserves held, even under the worst-case scenario considered there are sufficient funds to continue operating and meet liabilities as they fall due for the foreseeable future.

The Trustees are of the opinion that the Hospice has sufficient money in current bank and building society accounts together with investment funds to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of accounting in preparing these annual financial statements.

##### 1.2 Group financial statements

The financial statements consolidate the results of the Hospice and its wholly-owned subsidiaries PAH Trading Limited and PAH Lottery Limited (“the group”) on a line-by-line basis. A separate Statement of Financial Activities (“SoFA”) and Income and Expenditure Account for the charity has not been presented because the Hospice has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The income of the Hospice was £17,341,430 (2022: £18,165,695) and the expenditure was £18,217,857 (2022: £16,848,851).

##### 1.3 Fund accounting

Endowment, restricted, designated and unrestricted funds are separately disclosed in the Balance Sheet and in the Consolidated SoFA. These different funds are defined as follows:

- Endowment funds are funds given to the Hospice where it may use only the income generated from investing these funds
- Restricted funds are subject to specific restrictive conditions imposed by the donor or by the nature of an appeal

- Designated funds are set aside at the discretion of the Trustees for specific purposes. They would otherwise form part of unrestricted funds
- Unrestricted funds are available to use at the discretion of the Trustees in furtherance of the charitable objectives of the Hospice.

#### **1.4 Income**

The total income receivable in the year comprises donations, legacies, NHS income, income from trading activities, interest, fees from education courses run by the Hospice and other sundry income.

Legacies are recognised as income when it can reasonably be assumed that the Hospice is entitled to the legacy and the amount can be estimated with sufficient reliability.

NHS England (NHSE) COVID-19 funding was income received in 2021/22 under a funding programme administered by Hospice UK. The funding was for hospices to provide patient care to support the NHS COVID-19 response, it was restricted and fully expended in the year. There was no further funding in the year under review.

NHS grants are the block grants that the Hospice receives from NHS Surrey Heartlands Integrated Care Board (ICB) and NHS South West London ICB (prior to July 2022 Clinical Commissioning Groups (CCGs)). These are based on historic practice and not related to the level of clinical activity undertaken by the Hospice. They are only agreed for up to one year at a time.

NHS service funding is income received related to the provision of a clinical service, which is normally linked to specific clinical activities undertaken by the Hospice. This may be funding for a new initiative which has been commissioned by an ICB in its care area, such as rapid response night service, or a pilot project. Funding is typically received as a percentage contribution towards the total costs.

NHS continuing healthcare funding is income received for patients who are eligible for a continuing care package. These patients are ready for discharge from the In-Patient Unit but are waiting for a suitable place in a care home or nursing home, or for domiciliary care to be arranged.

Retail re-start grants were Government grants received via local authorities in 2021/22 to support non-essential retail businesses to get up and running after lockdown closure. No grants were received in the year under review.

The Coronavirus Job Retention Scheme (CJRS) ended on 30 September 2021. It was set up by the Government to support businesses with the employment costs of staff who would otherwise have been laid off or made redundant because the business was severely impacted by the COVID-19 crisis. The Hospice claimed, and was reimbursed for, £51,067 in total for 2021/22.

#### **1.5 Donated goods and services**

Donated vehicles, plant or furniture are recognised as tangible fixed assets and the corresponding gain recognised as income from donations in the SoFA. Donated facilities or services are likewise recognised as income from donations on the basis of the value of the gift to the Hospice and an equivalent amount recognised as an expense under the appropriate heading in the SoFA.

The Hospice did not receive any donations of goods in the year ended 31 March 2023 (2022: £12,593). Donated goods for resale are recognised as income when sold and included in income from retail shops in the SoFA. It is not practical to estimate the fair value of these goods on receipt because of the volume of low-value items received and the lack of detailed records.

In accordance with the Charities SORP (FRS 102), general volunteer time is not included as income in the accounts as it is not possible to measure this reliably. However, the Hospice relies on the contribution of volunteers and is very grateful for their time. See page 23 for further details.

## 1.6 Expenditure

Direct costs comprise expenditure incurred during the year both directly and indirectly attributable to the activity concerned. Support costs include the cost of governance, housekeeping, catering, facilities and health & safety, people services, marketing and communication, finance and administration and depreciation of fixed assets. These have been allocated to activities on a proportionate basis e.g. by activity level, headcount or on the basis of staff time spent (see Note 4).

## 1.7 Taxation

As a registered charity, the Hospice benefits from business rates relief from local Councils and is exempt from direct tax on its charitable activities. The Hospice is able to claim back VAT on most of its activities, any irrecoverable VAT is included in the cost of those items to which it relates. Income tax recoverable in respect of donations under Gift Aid and investment income is included with the income to which it relates.

## 1.8 Intangible and tangible fixed assets

Fixed assets are stated at cost, net of depreciation. Depreciation is provided at rates calculated to write off the cost in equal instalments over the economic life of the asset at the following annual rates:

• Intangible assets	20%/33%
• Freehold land	0%
• Freehold buildings	4%
• Leasehold buildings	over the life of the lease
• Furniture and equipment	10%
• Medical equipment	20%
• Motor vehicles	25%
• Information and Communication Technology Equipment	20%/33%

Items are treated as fixed assets and their costs capitalised only where the purchase price exceeds £1,000.

Intangible fixed assets are non-monetary fixed assets that do not have physical substance, such as computer software, licences and website development.

The cost of leasehold buildings represents capital expenditure on retail shops and lease acquisition premiums.

## 1.9 Pension costs

The total employer pension cost for the year ended 31 March 2023 was £571,366 (2022: £623,568). Total employer pension contributions were £638,366 and £67,000 of annuity provision was written back. Total contributions of £110,764 (2022: £95,838) were due to be paid after the year end.

### NHS Pension Scheme

The Hospice makes payments to the NHS Pension Scheme for former NHS employees who, on employment with the Hospice, are eligible to continue in or re-join the NHS Pension Scheme. The NHS Pension Scheme is an unfunded defined benefit scheme that covers employees of NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State for Health and Social Care in England and Wales, which includes the Hospice. It is not possible to identify the Hospice's share of the underlying assets and liabilities and as a result the NHS Pension Scheme is treated as a defined contribution scheme under FRS102.

The employer contribution payable in the year to the NHS Pension Scheme was £323,505 (2022: £318,855).

## **Group Personal Pension Scheme**

A defined contribution scheme is in operation for eligible employees with contributions payable by both the Hospice and the relevant employees. The assets of these plans are held separately from those of the Hospice, being invested with an insurance company. The current provider of the scheme is Scottish Widows Limited.

The employer contribution payable in the year into the Group Personal Pension Scheme was £214,722 (2022: £199,982).

### **Auto-enrolment**

All employees meeting certain criteria must be enrolled into a workplace pension if they are not already in a qualifying scheme. The Hospice has chosen the National Employment Savings Trust ("NEST") to meet its auto-enrolment obligations. The employer contribution payable in the year into NEST was £89,996 (2022: £87,025).

### **Other pension schemes**

The Hospice contributed to one other pension scheme (2022: one). This scheme is a defined contribution pension scheme.

Prior to 31 December 2011 it was a defined benefit scheme, which is now closed to new members and also to future accrual of benefits to existing members. It is not possible to identify the Hospice's share of the underlying assets and liabilities and as a result the scheme is treated as a defined contribution scheme under FRS102. As of August 2022, the scheme is no longer in deficit.

The employer contribution payable in the year into the scheme was £6,199 (2022: £9,960).

### **Annuities**

The Hospice is contracted to pay annual sums for life to one (2022: two) former employee based on a sum of £4,499 per annum in 1998 increased by the Hospice annual salary increase (if any). The sum paid in the year under review was £3,944 (2022: £7,746). This liability is met from income in the year in which it is paid.

The provision retained to cover future unfunded liabilities has been reviewed and reduced to £32,000 (2022: £99,000). The Trustees consider this provision to be adequate.

## **1.10 Stock**

Stock purchased for sale is valued at the lower of cost and net realisable value. Stock donated for sale in the Hospice's retail shops is valued at nil.

## **1.11 Operating leases**

The Hospice has entered into various operating leases, the future financial commitment to which is set out in Note 18. Rentals payable under these leases are charged on a straight-line basis over the term of the lease.

## **1.12 Investments**

Listed investments are included in the balance sheet at market value. Realised gains and losses on disposals in the year and unrealised gains and losses on investments at the balance sheet date 39 are included in the Consolidated Statement of Financial Activities. The movement in the valuation of investments during the year is set out in Note 11.

## 2. Retail shops results

		2023	2022
		£	£
Turnover*		6,989,644	6,042,851
Direct costs	(5,575,468)		
Support costs	(385,124)	(5,960,592)	(5,707,477)
<b>Net contribution as per SoFA</b>		<b>1,029,052</b>	<b>335,374</b>
"Other income" related to retail operations			
Coronavirus Job Retention Scheme	-		
Coronavirus retail grants	-	-	235,262
		<b>1,029,052</b>	<b>570,636</b>

\*Turnover includes £2,370,712 (2022: £1,870,868) of donations and associated Gift Aid of £592,679 (2022: £467,717) from the retail Gift Aid scheme. This scheme involves PAH Trading Limited selling goods on behalf of supporters ("Agency Sales") in the Hospice's retail shops and the supporters then donating the proceeds of the Agency Sales to the Hospice under Gift Aid.'

## 3. Trading subsidiaries

The Hospice has two wholly-owned subsidiaries which are incorporated in the UK for the purposes of generating income for the Hospice's charitable purposes. The whole of their taxable profit is donated to the Hospice under a Deed of Covenant within nine months of the year end. The specific activity of each of the trading subsidiaries is:

PAH Trading Limited (1925762) – sells new and promotional goods, as well as receiving commission on Agency Sales, provides catering services for the benefit of the Hospice and external users and undertakes other sundry trading activities.

PAH Lottery Limited (3347939) – operates lotteries. In 2022 an external review of the lottery was commissioned and recommended that the lottery was outsourced to an external provider. This was agreed by the Board in March 2023 and the outsourcing will take place during 2023/24.

	PAH	PAH	Total	Total
	Trading Ltd	Lottery Ltd	2023	2022
<b>Profit and loss accounts</b>	£	£	£	£
Turnover	214,320	462,932	677,252	665,358
Income	214,320	462,932	677,252	665,358
Cost of sales	(121,954)	(106,530)	(228,484)	(205,083)
Direct overheads	-	(41,258)	(41,258)	(33,669)
Administrative expenses	(13,230)	(37,627)	(50,857)	(54,758)
Expenses	(135,184)	(185,415)	(320,599)	(293,510)
Net profit	79,136	277,517	356,653	371,848
Amount covenanted to the Hospice	(79,136)	(277,517)	(356,653)	(371,848)
Retained in subsidiary	-	-	-	-
Previous year net profit (all covenanted to the Hospice)	74,201	297,647	371,848	344,346
<b>Shareholder's funds</b>				
Share capital (issued)	100	1,000	1,100	1,100

#### 4. Total expenditure

	Direct Costs	Support costs	Total 2023	Total 2022
	(See note 1.6)			
	£	£	£	£
In-patient care	3,158,272	2,023,496	5,181,768	4,761,107
Princess Alice at home	3,209,588	898,637	4,108,225	3,828,143
Community engagement and support	505,904	200,236	706,140	645,041
Education	569,139	390,574	959,713	801,056
Raising donations and legacies	619,886	521,927	1,141,813	966,700
Fundraising events	159,607	-	159,607	139,326
Retail shops	5,575,468	385,124	5,960,592	5,707,477
Trading subsidiaries	13,797,864	4,419,994	18,217,858	16,848,850
	306,098	-	306,098	281,639
	14,103,962	4,419,994	18,523,956	17,130,489
<b>Analysis of support costs:</b>	<b>Basis of apportionment</b>	<b>Group</b>	<b>Group</b>	
		<b>2023</b>	<b>2022</b>	
		<b>£</b>	<b>£</b>	
Governance	Time spent	35,999		30,033
Housekeeping	Time spent	614,818		541,351
Catering	Resource allocated	306,655		281,572
Facilities and health & safety	Resource allocated	491,800		394,767
People services	Head Count	334,234		265,670
Volunteering	Resource allocated	103,736		103,800
Information technology	Time spent	438,646		418,260
Marketing and communication	Resource allocated	439,491		314,971
Digital and data	Time spent	226,998		187,526
Executive, finance and administration	Time spent	802,630		696,067
Amortisation/depreciation (excluding retail)	Resource allocated	624,987		598,101
		4,419,994		3,832,118
		<b>Group</b>	<b>Group</b>	
		<b>2023</b>	<b>2022</b>	
<b>The above figures include:</b>		<b>£</b>		<b>£</b>
Auditor's remuneration - statutory audit		30,344		20,503
- other services		5,760		4,370
Operating lease rentals:				
For charitable activities:				
Equipment		25,782		25,312
For generating funds:				
Leasehold retail shops		1,544,192		1,561,717
Amortisation/depreciation of owned assets		725,662		725,253

## 5. Designated funds

	Group and Hospice			
	Balance		Net	Balance
	2022	Expenditure	Transfers	2023
	£	£	£	£
Fixed Asset Equalisation Fund	5,892,058	-	(319,119)	5,572,939
Running Costs Reserve	10,944,000	-	516,000	11,460,000
Strategic Development Reserve	1,400,000	(230,795)	-	1,169,205
Sustainable Building Development Fund	500,000		(102,218)	397,782
Staff wellbeing fund	27,037	(6,469)	-	20,568
	18,763,095	(237,264)	94,663	18,620,494

The Fixed Asset Equalisation Fund represents the net book value of tangible and intangible fixed assets. This assists in identifying funds which are not free for the Trustees to use. The transfer of £319,119 (2022: £420,874) out to unrestricted funds represents the difference between net capital expenditure and depreciation.

The Running Costs Reserve is intended to provide adequate reserves to meet future charitable expenditure in the event of a significant short-term drop in income. The Trustees are targeting a level of 9 months +/- 3 months budgeted charitable expenditure. A transfer of £516,000 (2022: £300,000) has been made from unrestricted funds. The balance on this fund is 12 months (2022:12) of the Hospice's budgeted cash expenditure on charitable activities for 2023/24.

The Strategic Development Reserve has been established to support the delivery of the Hospice's strategic objectives. Expenditure of £230,795 was incurred in the year (2022: £Nil) on a number of strategic change projects, some of which are multi-year. The reserve is expected to be fully expended over the next three years and expenditure of up to £769,000 has been agreed for 2023/24.

The Sustainable Building Development Fund has been established to fund sustainable building development initiatives, as they are identified, to meet our sustainability goals. This includes bringing the older part of the Hospice building, which is now 17 years old, up to modern standards of energy efficiency and fit for purpose for new ways of working. There has been no transfer in from unrestricted funds (2022: £500,000). Expenditure of £102,218 was incurred on upgrading to LED lighting and refurbishing older offices (2022: £Nil).

The Staff Wellbeing Fund has been established to fund initiatives to improve workforce wellbeing and engagement. Expenditure of £6,469 (2022: £7,261) was incurred during the year on providing an Employee Assistance Programme through BUPA, new soft furnishing for the staff lounge and delivering a Wellbeing month for employees and volunteers.

## 6. Restricted funds

	Group and Hospice				
	Balance	Income	Expenditure	Transfers	Balance
	2022				2023
	£	£	£	£	£
Ward equipment fund	13,172	40,818	(1,436)	(47,588)	4,966
Ward at Home/Virtual Ward	-	50,000	(26,807)	-	23,193
Bereavement Service	3,311	22,150	(23,460)	-	2,001
Wellbeing	4,381	115	(3,691)	-	805
Rapid response nurse	-	50,000	(50,000)	-	-
Enhanced support service	31,017	-	(31,017)	-	-
Hospice at Home	-	51,211	(37,917)	-	13,294
Community engagement programmes	4,549	12,224	(13,308)	-	3,465
Man Shed	7,268	10,000	(7,457)	-	9,811
Covid visitor coordinator	2,572	-	-	-	2,572
Garden	11,754	-	(4,287)	(5,154)	2,313
Other Funds	1,840	2,615	(515)	-	3,940
	79,864	239,133	(199,895)	(52,742)	66,360

The policy of the Trustees is to treat donations given for specific purposes as Restricted Funds until properly expended. The funds shown are those which were directed by donors to be used for specific purposes and are unexpended at 31 March 2023. These funds will be used in accordance with the directions of the donors in a subsequent accounting period.

## 7. Endowment funds

	Group and Hospice			
	Balance	Movement in resources		Balance
	2022	Income	Expenditure	2023
	£	£	£	£
The Edwin Stevens fund	40,000	793	(793)	40,000
The D.J. Squires "Love of Roses" fund	20,000	397	(397)	20,000
The June Daphne Allen fund	845,041	16,760	(16,760)	845,041
	905,041	17,950	(17,950)	905,041

The Edwin Stevens fund relates to a permanent capital contribution received on establishment of the Hospice. The D.J. Squires Love of Roses fund was established in 1996, the income from which is to be used for the research and advance of palliative care. The June Daphne Allen fund was created by the conditions of a legacy received in July 2001, the income from which is to be used for the general purposes of the Hospice. All income arising from these funds was expended during the year.

## 8. Comparative results for each group of funds

Year ended 31 March 2022	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds 2022
	£	£	£	£	£
<b>Income</b>					
Donations	2,048,934	-	262,361	-	2,311,295
Legacies	3,840,693	-	-	-	3,840,693
NHS grants	2,106,148	-	-	-	2,106,148
NHS England Covid-19 emergency funding	-	-	2,049,130	-	2,049,130
NHS service funding	322,963	-	-	-	322,963
NHS continuing healthcare funding	55,183	-	-	-	55,183
Education	240,286	-	-	-	240,286
Retail shops	6,042,851	-	-	-	6,042,851
Fundraising events	449,611	-	-	-	449,611
Trading subsidiaries	665,358	-	-	-	665,358
Investments	51,826	-	-	905	52,731
Coronavirus retail grants	200,963	-	-	-	200,963
Coronavirus job retention scheme	51,067	-	-	-	51,067
Other income	59,054	-	-	-	59,054
<b>Total income</b>	<b>16,134,937</b>	<b>-</b>	<b>2,311,491</b>	<b>905</b>	<b>18,447,333</b>
<b>Expenditure</b>					
Raising donations and legacies	966,114	586	-	-	966,700
Retail shops	5,705,055	2,422	-	-	5,707,477
Fundraising events	139,326	-	-	-	139,326
Trading subsidiaries	281,639	-	-	-	281,639
In-patient care	3,563,571	2,018	1,194,633	885	4,761,107
Hospice at Home	2,812,784	1,622	1,013,737	-	3,828,143
Community engagement and support	596,642	274	48,125	-	645,041
Education	800,697	339	-	20	801,056
<b>Total expenditure</b>	<b>14,865,828</b>	<b>7,261</b>	<b>2,256,495</b>	<b>905</b>	<b>17,130,489</b>
Net gain on investments	164,758	-	-	-	164,758
<b>Net income/(expenditure)</b>	<b>1,433,867</b>	<b>(7,261)</b>	<b>54,996</b>	<b>-</b>	<b>1,481,602</b>
Transfer from designated funds	(379,126)	379,126	-	-	-
Transfer from restricted funds	53,201	-	(53,201)	-	-
<b>Net movement in funds</b>	<b>1,107,942</b>	<b>371,865</b>	<b>1,795</b>	<b>-</b>	<b>1,481,602</b>

## 9. Intangible assets

	Total 2023
Cost	£
At 1 April 2022	500,104
Purchases	2,875
Disposals	(67,070)
<b>At 31 March 2023</b>	<b>435,909</b>
<b>Amortisation</b>	
At 1 April 2022	428,237
Charge for year	42,628
Disposals	(67,070)
<b>At 31 March 2023</b>	<b>403,795</b>
<b>Net book value</b>	
At 31 March 2023	32,114
At 31 March 2022	71,867

## 10. Tangible fixed assets

10 Tangible Fixed assets					
Group and Hospice					
	Freehold land	Freehold buildings	Leasehold buildings	Furniture, equipment and vehicles	Total 2023
Cost or valuation	£	£	£	£	£
At 1 April 2022	71,586	12,247,557	477,494	2,101,552	14,898,189
Purchases	-	77,865	70,960	254,843	403,668
Disposals	-	-	(64,943)	(195,099)	(260,042)
At 31 March 2023	71,586	12,325,422	483,511	2,161,296	15,041,815
<b>Depreciation</b>					
At 1 April 2022	-	7,187,788	271,853	1,618,357	9,077,998
Charge for year	-	441,098	81,294	160,642	683,034
Disposals	-	-	(64,943)	(195,099)	(260,042)
At 31 March 2023	-	7,628,886	288,204	1,583,900	9,500,990
<b>Net book value</b>					
At 31 March 2023	71,586	4,696,536	195,307	577,396	5,540,825
At 31 March 2022	71,586	5,059,769	205,641	483,195	5,820,191

## 11. Investments

	2023	2022
	£	£
<b>Marketable investments</b>		
Market value at start of year	3,203,711	3,007,844
Net additions at cost	560,840	441,108
Disposals at market value	(522,747)	(409,999)
Net (loss)/gain on revaluation/disposal	(172,013)	164,758
Market value at 31 March	3,069,791	3,203,711
<b>Trading subsidiaries (see Note 3)</b>	1,100	1,100
<b>Total investments</b>	3,070,891	3,204,811
Cost at 31 March	2,646,405	2,562,875
	<b>2023</b>	<b>2022</b>
	£	£
Marketable investments comprise:		
Equities	1,491,044	1,610,606
Fixed Income	589,481	498,064
Other securities (absolute return funds, multi-asset funds, property funds, etc.)	816,827	955,449
Short term deposits and cash	172,439	139,592
	3,069,791	3,203,711

## 12. Stock

	Group	
	2023	2022
	£	£
Stock of promotional and new goods (all stock is held by PAH Trading Limited)	13,784	16,732

### 13. Debtors

	Group		Hospice	
	2023	2022	2023	2022
	£	£	£	£
Operating debtors	148,227	404,647	148,227	414,564
Accrued legacy income	3,799,395	2,926,436	3,799,395	2,926,436
Gift Aid recoverable	625,355	437,695	625,355	437,695
NHS England Covid-19 emergency funding	-	1,682,811	-	1,682,811
Retail rents prepaid	371,272	388,585	371,272	388,585
Insurance pre-paid	113,172	114,740	113,172	114,740
Other debtors and prepayments	326,842	363,184	323,344	359,869
Amounts due from subsidiaries	-	-	235,177	249,028
	5,384,263	6,318,098	5,615,942	6,573,728

### 14. Creditors

	Group		Hospice	
	2023	2022	2023	2022
	£	£	£	£
Taxation and social security costs	248,332	235,604	248,332	235,604
Salaries and holiday pay	268,421	56,268	268,421	56,268
Operating creditors	470,868	377,053	466,941	372,253
NHS grants paid in advance	-	171,123	-	171,123
Other creditors and accruals	627,742	549,467	527,727	445,637
	1,615,363	1,389,515	1,511,421	1,280,885

### 15. Staff remuneration

Costs	Group	
	2023	2022
	£	£
Salaries	11,276,865	10,599,134
Employer's National Insurance	1,064,868	937,950
Pension costs	571,366	623,568
Apprenticeship Levy	39,821	37,778
Agency staff	164,359	94,801
Recruitment and training expenses	181,589	114,162
Subsidiary companies staff costs	41,258	33,669
	13,340,126	12,441,062

	Group			
	2023		2022	
Average number of employees	Headcount	FTE	Headcount	FTE
In-patient unit	65	48	62	48
Hospice at home	64	47	63	46
Community engagement and support	9	6	10	8
Consultants and doctors	9	6	9	6
Clinical support services	17	13	16	11
Therapies	3	1	3	1
Housekeeping	22	16	20	15
People services and volunteering	9	7	10	7
Other support services	16	13	15	12
Education	11	8	11	8
Marketing and communication	8	7	8	6
Fundraising	17	14	15	13
Digital, data and technology	13	10	12	9
Retail	133	94	153	109
Executive and finance	12	8	9	7
	408	298	416	306

	Group	
	2023	2022
The number of employees whose earnings (excluding employer's pension contributions) fell into the bands below were:	No.	No.
£60,000 to £69,999	3	4
£70,000 to £79,999	1	3
£80,000 to £89,999	5	3
£90,000 to £99,999	*2	*1
£100,000 to £109,999	1	1

\*The pay of the Chief Executive falls within this band.

Included in the number above are medical consultants, doctors and other senior clinical staff directly employed by the Hospice who are paid at a rate equivalent to the relevant NHS scale.

The key management personnel of the Hospice are the Trustees and the Senior Leadership Team ("SLT"). The SLT comprises the Chief Executive, Deputy Chief Executive, Medical Director, Director of Patient Care and Communities, Director of Marketing and Communications, Director of Income Generation, Director of Finance and Operations, Director of People Services, Volunteering and Organisational Development, and Director of Education and Research. They are subject to the same terms and conditions as other members of staff and do not receive any additional employee benefits. They are only reimbursed for expenses wholly and necessarily incurred for business purposes in accordance with Hospice policy. The total employee benefit (salary and employer's pension contribution) received by the SLT was £787,634 (2022: £629,355).

The Trustees are the directors for the purposes of the Companies Act 2006 and, as required by the Articles of Association, are the members of Princess Alice Hospice, a Company limited by Guarantee. They receive no remuneration. During the year to 31 March 2023 they were reimbursed for expenses of £792 (2022: £292).

An aggregate payment of £30,191 (2022: £37,658) was made to 4 ex-employees (2022: 6) under a settlement agreement. An aggregate payment of £25,098 (2022: £7,849) was made to 7 (2022: 6) employees on redundancy in respect of statutory redundancy pay.

## 16. Related Party Transactions

During the year ended 31 March 2023, the aggregate amount of donations received from Trustees and their close family members, the SLT and their spouse/partner was £7,877 (2022: £7,981).

The Trustees volunteer their time to fulfil their governance and leadership role. They provide support and advice to the SLT. They attend internal and external meetings, Hospice events and external events, in person where possible but otherwise virtually during the year. The Trustees estimate that during the year they donated over 2,000 hours of time in aggregate.

Gail Cookson, Trustee, is Legacy and International Director of WPNC, a company providing direct marketing services. During the reporting period WPNC did not provide any services to the Hospice (2022: £:Nil). There was no balance outstanding at 31 March 2023 (2022: £Nil).

During the year to 31 March 2023 the Hospice invoiced PAH Trading Limited for £10,010 (2022: £7,876) for the use of retail shop facilities to sell goods on behalf of supporters (Agency Sales) and £4,491 (2023: £3,995) for the preparation of sandwiches to sell in the coffee shop. At 31 March 2023 balances of £62,202 (2022: £76,341) and £172,975 (2022: £172,687) were owed to the Hospice from PAH Trading Limited and PAH Lottery Limited respectively.

## 17. Analysis of net assets between funds (Group)

17 Analysis of net assets between funds	Group					
	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total 2023	Total 2022
	£	£	£	£	£	£
Fixed assets	-	5,572,939	-	-	5,572,939	5,892,058
Investments	-	2,164,750	-	905,041	3,069,791	3,203,711
Current assets	2,185,373	10,882,805	66,360	-	13,134,538	13,571,091
Current liabilities	(1,615,363)	-	-	-	(1,615,363)	(1,389,515)
Annuity provision	(32,000)	-	-	-	(32,000)	(99,000)
	538,010	18,620,494	66,360	905,041	20,129,905	21,178,345

## 18. Other financial commitments

18 Other financial commitments	Retail Shops		Equipment	
	2023	2022	2023	2022
At 31 March 2023 the Group was committed to making the following payments under non-cancellable operating leases:				
	£	£	£	£
<b>Operating leases which expire:</b>				
Within 1 year	1,106,135	1,070,088	1,990	1,990
Within 2 to 5 years	2,329,776	2,231,398	22,924	22,924
After 5 years	774,562	829,950	-	-
	4,210,473	4,131,436	24,914	24,914

## 19. Simplified income and expenditure statement

	Notes	Group			Group		
		2023	2023		2022	2022	
Income		£	£		£	£	
NHS grants	1.4		2,178,440	22%		2,106,148	19%
NHS England emergency capacity funding	1.4		-			2,049,130	18%
Voluntary income							
Legacies	1.4		4,116,775	41%		3,840,693	34%
Donations	1.4	2,027,391			2,311,295		
Cost of generating voluntary income	4	(1,141,813)			(966,700)		
			885,578	9%		1,344,595	12%
Fundraising events	1.4	624,493			449,611		
Cost of fundraising events	4	(159,607)			(139,326)		
			464,886	5%		310,285	3%
Trading subsidiaries	3	677,252			665,358		
Cost of trading subsidiaries	3	(306,098)			(281,639)		
			371,154	4%		383,719	3%
Retail							
Retail income	2	6,989,644			6,042,851		
Cost of retail	4	(5,960,592)			(5,707,477)		
Retail contribution			1,029,052	10%		335,374	3%
Investment income	1.4		160,691	2%		52,731	0%
NHS service funding	1.4		474,013	5%		322,963	3%
NHS continuing healthcare funding	1.4		87,793	0.9%		55,183	0%
Education	1.4		277,580	3%		240,286	2%
Coronavirus Retail Grants	1.4		-			200,963	2%
Coronavirus Job Retention Scheme	1.4		-			51,067	0%
Other	1.4		33,457	0.3%		59,054	0.5%
<b>Net income</b>			<b>10,079,419</b>	<b>100%</b>		<b>11,352,191</b>	<b>100%</b>
<b>Expenditure</b>							
<b>Charitable activities</b>							
In-patient care	4	(5,181,768)		47%	(4,761,107)		47%
Princess Alice at home	4	(4,108,225)		37%	(3,828,143)		38%
Community engagement and support	4	(706,140)		6%	(645,041)		6%
Education	4	(959,713)		9%	(801,056)		8%
			(10,955,846)			(10,035,347)	
<b>Total expenditure on charitable activities</b>			<b>(10,955,846)</b>	<b>100%</b>		<b>(10,035,347)</b>	<b>100%</b>
<b>Operating (deficit)/surplus</b>			<b>(876,427)</b>			<b>1,316,844</b>	

# Who's who at Princess Alice Hospice

## Trustees

### **Professor Sean Hilton**

#### **Chair**

Sean is Emeritus Professor at St George's, University of London. He was a GP partner for 30 years in Kingston upon Thames.

### **Jeannine Nolan**

#### **Vice-Chair** (to September 2022)

Jeannine has over 30 years' experience in the healthcare communications sector, working with leading pharmaceutical companies and global agencies.

### **Deborah Bowman MBE**

#### **Vice-Chair** (from September 2022)

Deborah is an Emeritus Professor of Medical Ethics and Law and a Clinical Ethicist who has combined a successful academic career with effective and values-based senior leadership in Higher Education.

### **Despina Don-Wauchope**

#### **Honorary Treasurer**

Despina is a Chartered Management Accountant and has more than 30 years' experience working for a number of FTSE100 companies.

### **Gail Cookson**

Gail has been a director of WPNC for 18 years and has over 30 years' experience in fundraising.

### **Monica Harding** (to October 2022)

Monica has worked as a CEO, Director and consultant in the UK and internationally across government, charity and business sectors.

### **Tim Hewens**

Tim is a solicitor and a partner at Osborne Clarke LLP where he specialises in M&A and Private Equity. He was previously a trustee of Walton Charity and of the RG Foundation.

### **Andrew Jennings**

Andrew is retired following a career as a Chartered Accountant in the City where he spent over 30 years in International Law management.

### **José Sanchez Loureda** (from August 2022)

José has extensive experience in driving digital business transformation and providing strategic leadership. He has worked with a range of UK and global organisations in delivering award-winning products and services.

### **Tatenda Mazivanhanga** (from October 2022)

Tatenda has extensive experience in digital transformation and technical innovation. He has worked in management consultancy and technology across various sectors, including government, public sector, banking and technology.

### **Heather Patel**

Heather is a recently retired GP with 35 years' experience. Her practice was in Claygate where she worked closely with the Princess Alice Hospice on behalf of her patients.

### **Jonathan Perkins** (from December 2022)

Jonathan retired as Partner from multinational law firm, Linklaters, in 2008. He has held various voluntary positions, including a previous term as Trustee of the Hospice (2006 – 2015). He is Chair of the Mental Health System Delivery Board, Surrey and independent lay member for the Surrey Heartlands Primary Care Commissioning Committee.

**Karen Roberts**

Karen has over 30 years' experience of managing Human Resources in global companies, specialising in talent management and workforce planning.

**Jamie Tolentino-Deludet**

Jamie has extensive experience in digital marketing and innovation. She is currently working for StoneShot, a digital agency. She helps the traditional industry of financial services become digitally enabled.

**Sean Watson** (to September 2022)

Sean is a solicitor and formerly a Corporate Finance partner in International Law Firm CMS Cameron McKenna and a Non-Executive Director of 2 Listed FTSE companies. He is a founding Trustee of Dovedale Foundation, a family charitable foundation.

**Darren Webb**

Darren has nearly 20 years' experience in Financial Markets working for a number of international businesses. He currently works for the Bank of Montreal in London.

**Dr Peter West**

Peter is a health economist with over 40 years' experience working for consulting groups, universities and government agencies across the world.

## Honorary President

**Jane Formby MBE**

Jane has been involved with the Hospice for over 30 years, first as a volunteer then as a founding Trustee. Jane stepped down as a Trustee in 2018 and took up the role of Honorary President.

## Committee Advisory Members

**Rob Aldous**, Director of Kingston Hospital Charity – Income Generation Committee

**Duncan Burton**, Deputy Chief Nursing Officer for England - Clinical and Community Quality Assurance Committee

**Jon Cunliffe** (to May 2022), Chief Investment Officer, Charles Stanley – Audit and Risk Committee

**Karen Frend**, Deputy Head of Central Governance at the Cabinet Office – Audit and Risk Committee

**Ros Irving**, Member of Group Management Board, Euromoney Institutional Investor PLC – People and Communities Committee

**Esther Kitto** (on sabbatical since February 2023), Director of Clinical Operations (clinical drug development) – People and Communities Committee

**Louise Mitchell**, Regional Brand Manager COS – Income Generation Committee

**Tim Moody**, Head of Property, British Heart Foundation – Income Generation Committee

**Monday Ugiagbe**, Senior Lecturer in Nursing, Middlesex University – Clinical and Community Quality Assurance Committee

## Representatives of the Friends of Princess Alice Hospice

**Veronica Eagles** – People and Communities Committee (to December 2022)

**Mary Houghton** – People and Communities Committee (to December 2022)

## Senior Leadership Team

### **Nicki Shaw**

Chief Executive

### **Nigel Seymour**

Deputy Chief Executive, Director of Digital, Data and Performance

### **Jane Berg** (from September 2022)

Director of Education and Research

### **Karen Garforth**

Director of People Services, Volunteering and Organisational Development

### **Angela Grimes**

Director of Income Generation

### **Lesley Munro**

Director of Patient Care and Communities

### **Diane Rickwood**

Director of Finance and Operations and Company Secretary

### **Julia Russell** (from September 2022)

Director of Marketing and Communications

### **Jennifer Todd**

Medical Director

## Advisors

**Cazenove Capital Management**, 1 London Wall Place, London EC2Y 5AU

**Mazars LLP**, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

**Barclays Corporate**, Ground Floor, Tagus House, Ocean Way, Southampton, SO14 3TJ

# Special thanks to...

## Trusts

The Alan Greenaway Foundation  
The Albert Hunt Trust  
The Ann Jane Green Trust  
The Anonymous Donor Trust  
The Ardwick Trust  
The Barratt Foundation  
Blakemore Foundation  
The Brock Webb Trust  
Byran & June Amos Foundation  
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The Dandy Charitable Trust  
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The Dixie Rose Findlay Charitable Trust  
Edith Murphy Foundation  
Edward Gostling Foundation  
Edwin George Robinson Charitable Trust  
The Elizabeth Frankland Moore & Star Foundation  
The Erica Leonard Trust  
The February Foundation  
Foundation Peters  
The Freemasons' Grand Charity  
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The Joseph Strong Frazer Trust  
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The Margaret and David Walker Trust  
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The Rowan Bentall Charitable Trust  
The Sandra Charitable Trust  
Shanly Foundation  
The Shirley & Ian Watson Charitable Trust  
The Sir Cliff Richard Charitable Trust  
Tom & Sheila Springer Charitable Trust  
The Vernon N Ely Charitable Trust  
The Walker Family Trust  
Walsingham Care  
The William Henry Way Bequest Trust  
Wimbledon Foundation

## Masons

Addlestone Lodge 5222  
Arnold Lodge No 1981  
Astede Lodge Chapter  
Chertsey Abbey Chapter  
The Freemasons' Grand Charity  
Good Companions Lodge of Instruction L7524  
Laleham Lodge 6760  
Light from the East Chapter No 4186  
Lodge Wandsworthians No 5365  
Lovekyn Chantry Lodge No 6807  
Malden Chapter Lodge  
Old Shirburnian Lodge 3304  
St George's Esher 6597 Lodge  
St Peter's Lodge No 7406  
Surbiton Lodge No 2146  
Surrey Provincial Grand Stewards' Chapter No. 8297  
The Oddfellows Mid-Surrey District Lodge 3713



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**PRINCESS ALICE HOSPICE**

England & Wales - Charity number 1010930

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# Accounts

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2022 Trustees'

Annual Report



YEAR ENDED 31 MARCH 2022

For Excellence. For Compassion. For People. For Living.

## **Princess Alice Hospice makes a difference**

It costs us £10 million each year to provide free, high-quality care.

Funding provided by CCGs (Clinical Commissioning Groups) represents circa 24% of our expenditure on charitable activities. In more normal times the balance is raised through legacies, fundraising, dedicated shop units, investments and the generous support of our communities. It is only the support of our community and beyond, that makes it possible to do our work.

*In the year under report, the Hospice has also received additional support through NHS emergency capacity funding grants via Hospice UK, Government grants to support non-essential retail and the Coronavirus Job Retention Scheme (CJRS). It is only as a result of this support that we were able to maintain our services and help to alleviate the pressure on our NHS colleagues throughout the pandemic.*

We have once again been rated by the Care Quality Commission as providing outstanding palliative and end of life care in the community and within our Hospice. Our teams of employees, volunteers and supporters are positive, passionate and professional.

No one can prevent death, but we do everything we can to make dying as good as possible for patients, their families and friends. We believe that hospice care is for living.

### **Our Vision**

Our communities will have the best care and support before, during and after death.

### **Our Mission**

We will develop hospice ways of working so that we can best deliver services that place people at the centre of everything we do.

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## Chair and CEO report

The year under report has seen us transition from responding to COVID-19 as an all-consuming pandemic to operating with it as a near-constant backdrop. In practice this meant that we relaxed restrictions when it was safe to do so, re-instating them when the environment changed. We built on the innovations implemented across the organisation during the worst of the pandemic and embedded them into operating and service models where there was clear benefit in doing so. The acceleration in the pace of digital transformation across the organisation was maintained and provides an excellent foundation for the coming years.

All organisations providing health and social care have faced unprecedented challenges over the past two years and it has never been more important to work in collaboration and partnership. Nationally, the move towards Integrated Care systems (ICS), Integrated Care Boards (ICB) and Partnerships has resulted in both opportunities and threats for smaller specialist providers such as hospices.

Princess Alice Hospice operates in a care area that is part of two emerging Boards; Surrey Heartlands and South West London. Members of the Senior Leadership Team (SLT) continue to invest time and resource in ensuring that Palliative and End of Life Care (PEoLC) receives the focus it deserves. This included supporting the development of a PEoLC Strategy in Surrey Heartlands and taking on the role of Senior Responsible Officer for End of Life Care (EoLC) in Surrey Downs Health and Care Partnership. Moves towards greater integration have also prompted much closer working between hospices operating in the same ICB. We are hopeful that this will result in a more equitable and sustainable approach to NHS funding and investment in hospice care, so that in turn we are better able to support our health and social care partners and, more importantly, deliver the high-quality care and support that our community deserves.

We made changes and adaptations to our services to respond to changing needs and system pressures and sought to implement them in a way that did not impact on quality. We were delighted to have that validated when we retained our overall rating of Outstanding by the Care Quality Commission (CQC) following their inspection in late 2021. The inspectors commended us for our promotion of inclusivity and equality and the tangible sense of flexibility and adaptability amongst staff to meet people's needs. It is only possible to achieve an Outstanding rating when every member of staff, every volunteer, every team and every department works together. We are extremely proud of them all and very pleased that their energy, compassion and commitment has been recognised in the rating.

Further acknowledgement of the quality and commitment of our staff came in the form of a visit last November by Ruth May, Chief Nursing Officer for England. She presented two of our senior In-Patient Unit nurses with a prestigious Chief Nursing Officer Silver Award for their services in providing exceptional care to patients at the end of life – a very special moment.

This year represented the last year of our five-year strategy, so in addition to delivering “business as usual” and focusing on the objectives set for 2021/22, the Board and SLT formed a Strategic Development Group (SDG) and spent a large part of the year developing the new strategy for the organisation. Launched in April “A strategy for our future” sets out four over-arching priorities that will underpin, sustain and develop our vital work, now and in the future. The priorities and focus for the first two years are described in more detail on page 6.

We are first and foremost a people organisation and as the SDG developed its thinking it became clear that we needed to develop a People Plan to support the implementation of the strategy. Structured against five themes; growing our culture, resourcing for the future, developing skills and capabilities, supporting engagement and wellbeing and building leadership and management, the plan builds on the previous Talent and People Strategy and sits alongside the Inclusion strategy approved by the Board in September. The overall aim is that we will be a “values-led and inclusive organisation, with flexible, skilled and engaged people capable of delivering our mission”. Effective

implementation of the plan will be crucial if we are to recruit and retain the people we will need to deliver organisational success.

We said goodbye to some long-standing colleagues and friends on the Board and within SLT during the year and welcomed new ones. Professor Fiona Ross CBE stood down having completed her five-year tenure as Chair and ten years as a Trustee and we said goodbye to Christopher Roshier who had also completed his ten-year term as a Trustee – both remain loyal and committed supporters of the Hospice. We welcomed Monica Harding, Tim Hewens and Darren Webb as new trustees and two additional committee advisers who generously share their knowledge and skills to help us move projects and programmes forward. Two new colleagues joined the SLT; Dr Jennifer Todd took over as Medical Director from Dr Craig Gannon who had been with us for 26 years and Lesley Munro replaced Lesley Spencer as Director of Patient Care, Community Engagement and Support. They have been welcome additions to an already high performing SLT.

Princess Alice Hospice holds a special place in our local community. It is only through the extraordinary generosity of all our supporters and volunteers – donating time, money and resources – that we are able to deliver against our strategic objectives and plan for the future. We are grateful to every one of them.

We feel very privileged to be the Chair and Chief Executive of such a vibrant and innovative organisation, and we look forward to what's in store in 2022/23. Throughout, our dedicated and passionate people will provide and facilitate excellent care and support for every person who touches our services.



**Chair**



**Chief Executive**

## How we improved our care and support in 2021/22

### GOAL 1 We will be recognised for the outstanding care we provide

*We will use our specialist expertise to develop wide-ranging approaches to palliative and end of life care and support to help more people live life to the full, and when the time comes, to have a good death.*

The COVID-19 pandemic continued to impact some aspects of our service delivery during 2021/22, however the experience and learning that we gained from the previous year meant that we were better placed to respond and adapt as restrictions were imposed, removed and, often, reinstated. We are particularly proud of the fact that we maintained compassionate visiting throughout the pandemic and were delighted to be able to remove the remaining restrictions in February of this year.

Our health and social care partners continued to experience unprecedented demand and we worked hard to support them by being flexible and responsive – adapting our services as necessary. We provided care and support to 3,200 patients, enabling more than 71% of them to be cared for and to die at home.

As well as delivering our core services, clinical colleagues set themselves some challenging objectives for the year. They wanted to build on the learning from the previous year, particularly how best to integrate digital services within our core offer and maximise the value from our move to EMIS – the electronic patient record system used by most GP colleagues within our care area.

Achievements include:

- Continuing to explore and embrace digital innovations to modernise and improve services and offer support in ways that respond to patient and family preferences. This has included:
  - Establishing digital sharing agreements with GP practices in our care area so that patient records can be shared, leading to improved communication between us and Primary Care, and a more joined up response to the needs of patients.
  - Utilising Zoom to deliver Wellbeing sessions offering a wider range of sessions, doctor Q&As, peer support and therapeutic interventions – there were nearly 4,200 attendances during 2021/22.
  - Enabling patients and families to use a mix of digital and physical tools to provide feedback and influence the development of future services.
- Working more closely with frailty consultants to support Advance Care Planning and discharge from acute trusts to both home and care home settings.
- Establishing a referral pathway from GPs and Social Prescribers into the Wellbeing service so that more people can benefit from the service.
- Re-establishing out-patient clinics in four sites across the care area with a fifth due to come on board in 2022/23.
- Refreshing the IPU by decorating throughout and installing new lighting, flooring, patient call system and soft furnishings, incorporating design features that are dementia friendly.

We had set ourselves the objective to develop a strategic response to diversity and inclusion across our care and support services ahead of the launch of the new strategy in April 2022. We have taken opportunities to work with partners who are supporting people who have not traditionally had access to hospice care and have taken a blended approach of providing direct support, together with education and training, with the aim of improving the end of life experience for these groups. Establishing a strategic response has progressed more slowly. Its importance, however, was emphasised throughout the strategy development process and the Board of Trustees has allocated funding to support the delivery in the first two years of the new strategic period.

## **GOAL 2 We will nurture compassionate communities**

*We will continue to grow and nurture our Compassionate Communities and equip more people with the knowledge, skills and confidence to support each other through death, dying, grief and loss.*

It became increasingly clear that one of the legacies of COVID-19 was a steep increase in the numbers of people who needed bereavement support.

We responded by:

- Creating a new section about bereavement support on our website - our resources have been enhanced to include links articles, blogs, podcasts and videos.
- Training six new partner organisations to deliver community bereavement support.
- Delivering training courses to our Compassionate Neighbour (CN) Volunteers about bereavement to enable them to support family members and bereaved relatives.
- Implementing a Chaplaincy review and reintroducing pastoral support volunteers who can also provide pre-bereavement and bereavement support.

In addition, we have:

- Continued to recruit and train CNs and match them with Community Members. Since the beginning of this project in 2017 we have trained 370 CNs and made 453 matches.
- Trained volunteers to support people to have planning ahead conversations and delivered Introduction to Planning Ahead courses with volunteers to support more people to have the knowledge and confidence to think about what would be important to them at the end of life.
- Reintroduced volunteer roles that had been paused during the pandemic and developed new ones in both the hospice and in the community.

## **Goal 3**

### **We will share our knowledge and expertise and influence the debate around death and dying**

*We will raise awareness of high-quality end of life care by sharing our skills, knowledge, research and opinions.*

While it became possible to re-introduce some face-to-face learning opportunities in 2021/22, the shift to delivering most of our programme digitally was maintained. This was in response to feedback from both learners and the organisations sponsoring them. By providing this flexibility we have been able to extend our reach, enabling more health and social care colleagues to access the knowledge and skills they need to support good end of life care in their settings.

As well as delivering a programme of 266 education sessions to 2,756 learners, during the year we:

- Increased the number of hospices delivering the European Certificate in Essential Palliative Care (ECEPC), now in its 20<sup>th</sup> year.
- Created new learning and development partnerships with Learning Disability services – including delivering staff wellbeing training to their teams.
- Delivered a Summer School to a diverse group of 53 young people interested in a career in health or social care
- Worked with Hospice UK and the Foundation of Nursing Studies to develop a programme of Resilience-Based Clinical Supervision which will in turn better support clinical colleagues delivering palliative and end of life care
- Seized opportunities to disseminate our education and research activity at conferences and through publication.

Crucial to the achievement of our objectives for 2021/22 has been the ability of our income generation teams to generate the funds that we need and our operational and support services to create an environment that is positive, supportive, sustainable, safe and enables us to take advantage of, for example, new technologies, or improved ways to communicate with our stakeholders.

Highlights from the year include:

- The retail business making a net contribution to the Hospice of £335,374 after the previous year of significant disruption, due mainly to periods of shop closures throughout the pandemic.
- Continuing to generate strong financial and volunteer support from our local community against a back-drop of increasing competition for time, money and resources.
- Increasing the confidence and ability of the Marketing and Communications team to generate digital content for our various social media channels.
- An on-going focus on staff health and wellbeing, coupled with an internal focus on inclusion and diversity and what it means for Princess Alice Hospice culminating in the approval of the Inclusion and Diversity Strategy by the Board in May 2022.
- Delivery of the IPU refurbishment to time and budget with minimal operational down time.
- Significant progress in the implementation of MS365 including migrating Outlook to the cloud and introducing SharePoint across the organisation.
- A greater emphasis on sustainability, energy efficiency and minimising our environmental footprint.

## Objectives for 2022/23

We entered the final year of our five-year organisational strategy in April 2021. The Board of Trustees and SLT established an SDG and spent a significant part of the year under report developing a new strategy for our future. This process was informed by our experiences of operating throughout the pandemic. It was also a response to internal and external drivers that were having and would continue to have, a wide-ranging impact, namely:

- Changing demographics, with a projected increase in the number of people who will need palliative and end of life care in the future.
- An existing gap between those who need PEOLC and those who receive it – a gap that is exacerbated by inequality and social exclusion.
- Changing health and social care structures with an increased emphasis on integration
- Developments in technology and a growing acceptance of people to use digital services to access and receive health care.
- Increasing and changing demands of the people we care for.
- A competitive market for resources and skills.
- Funding shortfalls – costs increasing faster than the income we can generate
- A growing emphasis on sustainability and the ESG (environmental, social, governance) agenda.

Some of the drivers represented opportunities, some significant challenges, however it was clear that simply maintaining the status quo was not an adequate strategic response. At the same time the SDG recognised that we were operating in a period of continuous change and unprecedented uncertainty and complexity and that the ability to be agile, adaptive and responsive was crucial, while not losing sight of our long-term vision.

**We have therefore developed four overarching priorities for our next strategic period that will support our vision and sustain and develop our vital work now and in the future:**

### **PRIORITY 1**

#### **Developing and expanding our specialist care**

We will provide and develop outstanding, personalised, specialist end of life care by adapting our models of care and broadening access to our community services, focusing on providing the right care, by the right people, at the right time and in the right place.

In 2022/23 we will focus on:

- Using data and patient and family insight to refine our service design and pathway flows to improve accessibility, reach and responsiveness.
- Exploring emerging models of care such as “Virtual Wards”, and, where there are clear benefits, using the evidence and learning to adapt our services.
- Implementing an effective digital solution to deliver remote consultations by clinicians to increase flexibility and choice for patients and families.

### **PRIORITY 2**

#### **Empowering people in our communities to better support and care for people at the end of life**

We will make sure that people feel supported and have access to the right tools and advice to support others who are faced with death, dying, grief and loss. We will champion equity of access so that people can access our services equally, regardless of background, gender, sexual orientation or religion.

In 2022/23 we will focus on:

- Deepening our understanding of the needs and make-up of our local community to allow us to address inequalities of access and respond to unmet needs.
- Working in partnership with groups which are under-represented to deliver community-based bereavement support.
- Continuing to increase the number of CNs developing their skills and expertise so that they are better able to support community members through death, dying, grief and loss.
- Re-launching the Planning Ahead programme (Advance Care Planning) to highlight the importance of understanding and sharing future needs and wishes.

### **PRIORITY 3**

#### **Developing our education, research and learning programmes to improve quality and encourage and support innovation**

We will make sure people are supported and cared for at the end of life by health and social care professionals who have the right skills, expertise and confidence.

In 2022/23 we will focus on:

- Scoping the potential of the ECEPC in terms of growth and diversification.
- Continuing to develop ways in which we can support care home staff to improve their confidence and competence in end of life care.
- Developing a Research Strategy that aligns with and supports the new organisational strategy.

## **PRIORITY 4**

### **Enhancing our collaborative influence in palliative and end of life care through leadership and advocacy**

We will use our expertise and knowledge to improve end of life care for everyone facing death, dying, loss and bereavement.

In 2022/23 we will focus on:

- Investing the time of senior leaders to work with health and social care partners within our care area as the new NHS governance and delivery structures form and develop.
- Developing a way of assessing the value of partnerships and collaborations to inform decisions on how we allocate time and resources.

## **SUSTAINABILITY AND RESILIENCE**

Delivery of the organisational priorities across the strategic period will be supported by organisational projects that will focus on sustainability in its widest context and develop greater organisational capacity, capability, and resilience.

The focus for 2022/23 will be:

- Investing in additional fundraising posts in areas that we perceive to have growth potential
- Investing in digital fundraising and marketing capabilities so that we can scale up digital engagement and support.
- Implementing the People Plan and refreshing our employer brand so that we can continue to attract and retain the talent we need to deliver the strategy.
- Developing a framework for ESG to capture our impact against all these areas across the organisation.
- Developing greater organisational maturity in the use of data to support decision making.

In addition, once it became clear that we were finishing 2021/22 with a significant surplus, the Board agreed to establish a Sustainable Building Development fund of £500k from reserves so that we can continue to make capital investments in our building and infrastructure that will result in a decrease in our environmental impact.

# Structure, governance and management

Princess Alice Hospice was incorporated as a company limited by guarantee on 25 November 1981 and is governed by its Articles of Association. We are registered with the Charity Commission in England and Wales. Our registered office is at West End Lane, Esher, Surrey KT10 8NA.

## Objectives

The Hospice is an independent charity working across a large part of Surrey, south west London and Middlesex. We provide free high-quality, compassionate care and support at the end of life for patients, families, carers and close friends at every stage, up to, and after death.

Through education and research, we aim to improve palliative care knowledge and to change practice in the wider health and social care economy. Founded by our local community, fundraising and community support are crucial to our continuing work as a charity.

## How we are governed

### Trustees

Our Board of Trustees is responsible for overseeing the Hospice's strategy and performance. It is chaired by Professor Sean Hilton (Professor Fiona Ross CBE until September 2021) and Jeannine Nolan has served as Vice-Chair (Professor Sean Hilton until September 2021).

The Trustees are the directors of Princess Alice Hospice for the purposes of the Companies Act 2006. They are not paid. There is a short biography of the Trustees on page 47.

The Board meets regularly throughout the year to consider, set and review strategies, policies, budgets, plans and performance. An annual "away day" is held for in-depth strategic discussions and decision-making. Members of the Senior Leadership Team (SLT) attend Board meetings to report back on performance and progress against strategic objectives. In-depth "spotlight" sessions and business reviews are delivered by members of the leadership team, a practitioner working in front-line services or a family member representing "patient voice". This allows the Board to gain a deeper understanding of the organisation.

### Impact of COVID-19

The Board has continued to work flexibly during 2021/22 to maximise the contribution from Trustees and Advisory Members and support diversity. Board and Committee meetings have been held face-to-face when restrictions allowed but the option to join remotely has been retained, allowing hybrid meetings to take place. Meetings were temporarily moved back online from December 2021 to February 2022 as a response to the rising number of COVID cases.

The Finance and General Purposes Committee has continued to monitor the Hospice's cash position closely, receiving weekly updates. Individual Committee Chairs have been in regular contact with the lead SLT for their area.

### Board Committees

The Board delegates powers and responsibilities to Committees, more details of which are given below. The Board believes that this enables more detailed discussion and understanding of key areas of the organisation. Each Committee has terms of reference defining membership, responsibilities and delegated authority. These are reviewed annually by the Committee and approved by the Board. There is an annual process of review to give the Board assurance that the Committees are working effectively. Minutes of Committee meetings are on the agenda for the following Board meeting and Committee Chairs provide a summary report for the Board on the major issues discussed and decisions taken.

**The Clinical Strategy and Governance Committee**, chaired by Heather Patel, is responsible for overseeing clinical strategy, education and research. It provides assurance on the development, implementation, safety and effectiveness of the clinical services delivered by the Hospice. It monitors clinical activity, performance and risks against the annual business plan, raising issues to the Board where appropriate. It also oversees relationships with our health and social care partners regarding grants, contracts and service level agreements. The Committee monitors health and education policy and regulation and keeps the Board informed as appropriate.

**The Finance and General Purposes Committee**, chaired by Despina Don-Wauchope, oversees the finances of the Hospice. It is responsible for reviewing and recommending to the Board the annual budget and financial strategy and monitoring performance against budget during the year. It oversees the investment of the Hospice's funds, recommending on the appointment of an investment manager and reviewing their performance annually. In addition, the Committee is responsible for overseeing capital expenditure, estates and infrastructure.

**The Income Generation Committee**, chaired by Gail Cookson, is responsible for the identification, development, implementation and effectiveness of all income generation activities (except for NHS grants) including the Hospice's retail portfolio. It ensures compliance with all regulatory requirements impacting the Hospice's income generation activities.

**The People and Communities Committee**, chaired by Karen Roberts, oversees the development, implementation and effectiveness of the People Plan, diversity and inclusion, community engagement, marketing and communications programmes. It oversees and reviews HR governance, the volunteer strategy and from time to time undertakes workforce reviews, ensuring the Hospice has the skills and expertise it needs to deliver its strategy.

**The Remuneration and Nominations Committee**, chaired by the Board Chair, has a membership of the Committee Chairs, the Vice-Chair of the Board, the Chief Executive (CEO) and Company Secretary (nominations only). It meets twice a year to consider the skill mix of the Trustees, Committee membership and succession planning. Once a year it reviews the performance of the SLT and the CEO and makes recommendations on their remuneration. The Committee also oversees the recruitment process for Trustees, Advisory Members and SLT.

**The Audit and Risk Committee**, chaired by Tim Hewens (Sean Hilton to December 2021), oversees risk management and governance processes, external audit and internal risk and quality reviews. It reviews the management of systems for internal control and advises the Board on exposure, mitigation and lessons for continuous improvement. It manages the relationship with the external auditors, reviews feedback on their performance and value for money and advises on reappointment as appropriate.

### **Trustee and Committee advisory member recruitment**

The Board believes it is vital to get a mix of Trustees with healthcare, legal, financial, investment, fundraising, commercial, digital and retail skills, as well as skills and experience drawn from the local community. Trustees are initially appointed for two years and may then be reappointed for up to two more four-year periods (up to a maximum of 10 years). The Board has a good gender balance and is setting goals to increase the representation of people from a variety of ethnic minority backgrounds, skills and experiences as part of our Inclusion Strategy.

There was no external recruitment campaign during 2021/22. Darren Webb joined the Board in July 2021 having previously been an advisory member to the Finance and General Purposes Committee. Darren has extensive experience in investment banking.

The Remuneration and Nominations committee added a second meeting to the cycle this year to focus specifically on Trustee recruitment and succession planning. The Committee reviewed the skills and knowledge of current Board members and identified some key skills gaps over the next few years as longer-standing Trustees step down at the end of their tenure. The review also identified some different skills that would support the Board over the new strategic period. The Board agreed that a recruitment campaign for a Trustee with senior digital experience should take place in the first quarter of 2022/23.

In addition to Trustees, the Board may invite individuals to become advisory members to Committees. This is typically someone with relevant specialist expertise in the Committee's area of responsibility. These appointments are normally for an initial period of up to two years. During this time, the person may be invited to become a Trustee, or they may continue as a committee advisory member. Their appointment may be renewed by mutual agreement, and the Board may end the appointment at any time. During the year, there were 11 committee advisory members serving on Board committees.

The Board were delighted to welcome two new committee advisory members recruited during the year – Ros Irving, who joined the People and Communities Committee and Louise Mitchell, who joined the Income Generation Committee. Details of the current advisory members can be found on page 48.

New Trustees and advisory members receive an induction and training specific to their role, coordinated by the lead SLT and respective Committee chair. They also attend the Hospice's induction day for all new employees and volunteers. Induction has taken place mainly remotely during 2021/22 but face-to-face visits have been arranged when restrictions allowed. The Chair and Vice-Chair follow up individually newly recruited Trustees and advisors to ensure that they feel supported and informed.

### **Charity Governance Code**

The Board is committed to maintaining the highest standards of governance and has adopted the Charity Governance Code (the Code) as a tool to support continuous improvement:

<https://www.charitygovernancecode.org/en/front-page>

The Code sets out seven principles and provides recommended practice to support charities to develop high standards of governance. Not all of the recommended practice will be appropriate for us to adopt but the Code is designed to be aspirational and to support the development of the charity over time.

Equality, diversity and inclusion have remained a focus for the Board in 2021/22 and an item has been added to every Board agenda giving time to reflect on the impact that Board discussions and decisions have for diversity.

The Board is committed to continuously improving its governance processes. Work was undertaken in the year to formally document the annual cycle of Board Assurance. A forward agenda was put in place for the Board and each of the committees. The flow of information was mapped, reducing duplication and ensuring that the work of the committees is strategically focused and provides the appropriate level of assurance to the Board. Meeting agendas have been reviewed to clearly identify the purpose of each item of business and to allow time for meaningful discussion. The introduction of SharePoint as the Hospice intranet during the year has greatly improved the efficiency of access to meeting papers, which no longer have to be circulated by email and can be accessed via a link within the agenda. Trustees and committee advisors now have improved access to an extensive range of resources to increase their understanding of the Hospice.

## Senior Leadership Team

The Hospice internal management structure is made up of seven directorates, each led by a member of the team.

These directorates are:

**Clinical Services** – responsible for in-patient care, community care, wellbeing services, therapies, social work and education.

**Medical** – responsible for palliative medical care in all settings and covering doctors, including consultants.

**Finance and Operations** – responsible for finance, company secretarial and governance, facilities, front of house, health, safety, environment and business continuity, housekeeping and catering.

**People and Organisational Development** – responsible for human resources.

**Community Engagement** – responsible for volunteering, community engagement, bereavement care and spiritual care.

**Income Generation** – responsible for all income generation activities, apart from NHS income.

**Digital, Marketing, Communications and Performance** – responsible for ICT, digital, data, marketing, communications and performance.

## Remuneration Policy

We recognise that we have a duty to deliver our services effectively and maximise the use of our resources. To do this we need to attract and retain suitably qualified people with the right skills, knowledge and experience and pay them fairly and responsibly.

The market comparator for the majority of our clinical roles is the NHS. We directly employ medical consultants, doctors, nurses and other allied professional healthcare staff and in order to recruit and retain qualified and experienced professionals we pay them at a rate equivalent to the relevant national scale.

For the remainder of our roles, when setting salaries, we take into account the knowledge, skills, experience and effort needed for the job and market forces affecting recruitment, which may be local or national. We also benchmark against available information such as comparable roles being advertised locally and charity salary surveys. We take part in such surveys ourselves and benchmark against a range of our peers.

## Financial review

The COVID-19 pandemic has continued to impact the Hospice in 2021/22 although not on the scale experienced in the 2020/21. We have not seen any direct business impact of the Russian invasion of Ukraine apart from the general economic effect being experienced across the UK.

Over the period our main income streams can be categorised as legacies, NHS funding, fundraising and retail, these are discussed in more detail below.

### Legacies

Legacies accounted for 34% of our net income in 2021/22 (2021: 23%). We use forecast information produced by Legacy Foresight, a specialist legacy sector analysis company, as a basis for budgeting and business planning. Legacy KPIs such as notifications, open estates and outstanding accruals are monitored and reported monthly. This should enable us to identify whether any fluctuations in legacy income are short-term, or part of a longer-term trend, so that we

can adapt our plans accordingly. We commissioned an updated report from Legacy Foresight in February 2022 to inform our projections for future years.

### **NHS England COVID-19 funding**

A new package of NHS England funding was announced in December 2021 to allow the hospice sector to provide patient care to support the NHS COVID-19 response. The Hospice received £2,049,130 under this funding agreement. The income was restricted for patient care and has been fully expended in 2021/22. In 2020/21 the Hospice received £6,276,936 NHS England funding under two separate grant programmes.

### **NHS grants**

NHS grants accounted for 19% (2021:16%) of our net income. These are block grants based on historical practice and not related to the level of clinical activity undertaken. We have one-year grant funding agreements with Surrey Heartlands CCG and South West London CCG. The Board has assumed in its strategic plans that there would not be a significant drop in this source of income over the next few years.

### **Fundraising and retail**

The COVID-19 pandemic continued to impact trading activities in 2021/22 although much less than in the previous year.

Retail recovered strongly once the shops were able to re-open from 12 April 2021, helped by Government re-start grants of £200,963 (2021: £531,940). There have been no further enforced store closures and retail made a net contribution of £335,374 in 2021/22 compared with a net deficit of £3,154,707 in 2020/21.

Work on a strategic plan for the future of our retail portfolio continued during the year and as a result of this we outsourced our furniture collection and delivery service to Box Move, a specialist charity furniture business, in November 2021. In December 2021 we closed our Enfield store. Future plans include looking to exit our Distribution Centre to reduce central costs as it no longer suits our needs. We remain committed to maximising the contribution of our retail footprint in the future, both in terms of profitability and the part the shops play in disseminating our service and support to the local community.

Fundraising continued to be challenging in 2021/22, income from donations was £2,311,295 (2021: £2,563,840). Events fundraising has shown a small recovery, as some face-to-face events were able to resume after restrictions eased. Events income was £449,611 (2021: £397,182) but this remains low when compared with pre-pandemic income of over £800,000. We have continued to look at where we can maximise fundraising activity online and our community have supported us by responding generously to our campaigns and appeals.

### **Going concern**

The Board and the Finance and General Purposes Committee continue to closely monitor the ongoing impact of the pandemic on both short and longer-term operations. A range of budget scenarios have been considered and cash flow forecasts prepared in response to scenario planning. The Trustees are satisfied that even under the worst-case scenario considered, there are sufficient funds in current bank and building society accounts, together with investment funds, to continue operating and meet liabilities as they fall due for the foreseeable future.

The Board's view, therefore, is that the Hospice's balance sheet is sufficiently robust to provide resilience and that our reserves should allow the Hospice time to respond with reduction of services and cost savings if income projections indicate a significant reduction over the next three years.

## Reserves

As noted above, a significant amount of the Hospice's income comes from legacies and NHS income. The Board maintains scrutiny over the external environment and uncertainties related to these sources of income. We carry out financial planning and produce a three-year projection of income and expenditure, cash and reserves.

The Trustees have set aside funds in a designated Running Costs Reserve to meet future charitable expenditure in the event of a significant short-term drop in income. This has a target of nine months' (plus or minus three months') budgeted charitable expenditure for the year ahead. During the current uncertain economic climate, and the fact that future pandemic-related restrictions cannot be entirely ruled out, the Board feels that the aim should be to maintain this reserve at the upper end of the target range. The balance on this reserve at the year-end represented 12 months (2021: 12 months) of the Hospice's budgeted charitable expenditure for 2022/23.

The strength of this reserve has enabled the Board to approve a deficit budget for 2022/23. At the time the budget was approved we were projecting to return to a balanced budget in cash terms by 2023/24 but are now unlikely to achieve this. We are facing an increase of 292% in our energy costs, the impact of rising inflation on consumables and services, plus the need to pay the market rate to recruit and retain the skilled workforce that we need to deliver our care. Nevertheless, the Board feel that it is vital the Hospice maintains its services and continues to support our NHS partners in the local health economy. They have therefore authorised the SLT to spend an additional £250,000 over the agreed budget for 2022/23, where necessary to alleviate pressures on the workforce and to maintain our services. This is in addition to a commitment to matching the NHS pay award if it is in excess of the 3% the Hospice awarded from 1 April 2022. The cost of these commitments is expected to be additional expenditure of c.£510,000 from reserves.

The Trustees have established a designated fund, the Strategic Development Reserve, to support the delivery of the Hospice's strategic objectives. There was no draw-down in 2021/22 (2021: £Nil) as the Board was engaged in the development of plans for the new strategic period. The Hospice's new strategy was launched in April 2022 and the Trustees have agreed a number of strategic change projects starting from April funded from this reserve. The reserve is expected to be fully expended over the next three years and expenditure of up to £600,000 has been agreed for 2022/23.

This year the Trustees have established a new designated fund, the Sustainable Building Development Fund, to cover the cost of bringing the older part of the Hospice building, which is now 16 years old, up to modern standards of energy efficiency and to make it fit for purpose for new ways of working. It will also finance sustainable building development initiatives, as they are identified, in order to meet our sustainability goals.

Notes 5 to 7 of the Financial Statements provide more detail on these and other reserves.

## Investments

As set out in the Articles, the Trustees may invest the Hospice's reserves in banks and building society deposits, stocks, funds, shares or other securities they feel to be appropriate. The Hospice's investments are managed on a discretionary basis by Cazenove Capital Management, a firm of professional investment managers. As at 31 March 2022, the Investment Portfolio totalled £3,203,711 (2021: £3,007,844). The market value of the Investment Portfolio increased by £164,758 (2021: £437,365) during the year.

Currently the only ethical restriction imposed by the Board is that there must be no direct investment in any securities issued by tobacco companies.

A review of the investment policy took place during the year, taking into consideration the growing debate around ethical and responsible investment. The new policy was approved by the Board in May 2022 and the Hospice has adopted a socially responsible approach to investment allowing ethical considerations to be taken into account whilst ensuring there is no significant detrimental impact on the investment return. Investments should deliver the best return for the Hospice, adhere to the agreed risk profile and also show compliance with any Environmental, Social and Governance (ESG) principles that are agreed by the Board. If any surplus funds are identified for investment in 2022/23 consideration will be given to investing in ethical and responsibly screened multi assets funds. The ESG principles will be further developed during the year ahead.

The Finance and General Purposes Committee and our investment manager regularly review the performance of the investments in meeting the Hospice's investment policy.

More details about our investments are in Note 11 of the Financial Statements.

## **Employees**

Our work is only possible because of the dedicated service that our employees provide. Each year we thank them for their hard work, commitment and extraordinary contributions. 2021/22 has not been the return to normal we had hoped for; it has continued to present challenges with ever-changing Government guidance on how we can all work and live safely during the ongoing pandemic. Our employees have battled through all of this to keep our services operating and to continue to offer vital extended support to our local health economy.

Those who were working from home have gradually returned to the workplace and resumed their previous working pattern. We have always been open to flexible working and have approved new flexible working requests where these can be accommodated and are mutually beneficial to the employee and to the Hospice. When COVID cases were rising in December 2021 some teams resumed working mainly from home for a short period as a precautionary measure.

We recognise the stress that the pandemic has caused for people both at home and at work and its impact on personal resilience. We continue to do all we can to support employee wellbeing through the BUPA Healthy Minds service, regular email updates and Zoom sessions delivered by the Chief Executive and the SLT.

In 2021/22 the Hospice employed 416 people (2021: 428), the equivalent of 306 full-time employees (2021: 317).

## **Volunteers**

We have welcomed back our volunteers returning to their roles over the course of 2021/22 as regulations and COVID-secure measures allowed. Understandably for some their circumstances have changed during the pandemic and they have decided that they can no longer continue volunteering. We thank them for the generous gift of time they have given us in the past. We have also welcomed new volunteers joining us for the first time and are pleased to see that our volunteer numbers have increased.

We are immensely grateful to all of our volunteers, without them we simply could not deliver our services in the way that we do. Volunteers provide enormous added benefit to the Hospice and the people we help.

Around 1,200 (2021: 970) volunteers support the Hospice in a variety of different roles. Some provide care services to our patients and families, as ward support volunteers, compassionate neighbours, bereavement support volunteers or complementary therapists. Others volunteer in the Hospice by manning our reception and coffee shop, supporting with administrative tasks, patient transport and maintaining our grounds. We also welcome volunteers from local companies who donate their time for a day to support us in the Hospice or our shops.

Other volunteers are involved in fundraising, including the Friends' Committees, which organise events in the community and promote the work of the Hospice to raise vital funds. The largest group (around 550) normally volunteer in our retail operation, supporting the staff to keep the Hospice's shops open six or seven days a week or helping with administration at the retail head office in Molesey.

Volunteers are recruited through advertising. They attend an induction programme and receive initial and ongoing training. Service users such as patients, families and carers, who have expressed an interest in participating in-service design, work with us on steering groups and in other activities where they can influence areas of service delivery.

## Environmental reporting






We recognise the increasing and urgent need to improve environmental sustainability and the growing influence of stakeholder pressures and expectations to pro-actively demonstrate those improvements. We are at the beginning of our environmental journey so are focusing on compliance with the legal 'Streamlined Energy and Carbon Reporting' (SECR) requirement to report on our greenhouse gas (GHG) emissions, and introducing some of the initial areas of work identified for environmental improvement and sustainability.

### SECR Reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implement the SECR requirements which require the Hospice to report on its greenhouse gas emissions in relation to use of gas, electricity and vehicle fuel, including the methodology used to calculate the emissions, as well as a benchmarking intensity ratio that will allow on-going comparisons in future years. Information on actions identified to improve energy efficiencies is also required.

The Hospice has met two of the qualifying criteria for reporting GHG emissions for the past two consecutive years. The data below covers the two qualifying years 2020/21 and 2021/22.

### SECR Report – All hospice activity and retail operations

Emission Scopes	Emission Activities	Emissions (tCO <sub>2</sub> e)		Total kWh	
		2021/22	2020/21	2021/22	2020/21
Scope 1		173.73	158.00	948516.09	858452.00
		23.23	11.55	98136.22	48049.99
	Data source: Gas and vehicle fuel invoices				
Scope 2		222.00	174.12	1045522.30	746845.00
	Data source: Hospice - smart meter; retail – British Gas 'Billed kWhs' data and invoices for non-British Gas supplies				
Scope 3		35.41	31.06	143946.80	125277.59
	Data source: business mileage from expenses claims				
		19.65	14.97	N/A	N/A
Data source: electrical transmission/distribution based on Scope 2 data					
<b>Totals</b>		<b>474.02</b>	<b>389.70</b>	<b>2236121.02</b>	<b>1778624.58</b>

<ul style="list-style-type: none"> <li>• Totals are for Hospice and retail operations combined</li> <li>• Scope 1 = Gas consumption and fuel consumption for HI owned vehicles</li> <li>• Scope 2 = Electricity consumption</li> <li>• Scope 3 = Business use of private vehicles and transmission / distribution emissions associated with electricity consumption</li> </ul>		
Intensity ratio = <b>tCO<sub>2</sub>e / fte</b> (hospice and retail combined)	2021/2022 = <b>1.59</b>	2020/2021 = <b>1.23</b>
Intensity ratio = <b>tCO<sub>2</sub>e / Retail units sold</b> (≡ kgCO <sub>2</sub> e / unit sold)	2021/2022 = <b>0.0004</b> (≡ 0.4 kgCO <sub>2</sub> e / unit sold)	2020/2021 = <b>0.001</b> (≡ 1.0 kgCO <sub>2</sub> e / unit sold)
Methodology	<ul style="list-style-type: none"> <li>• The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition March 2004)</li> <li>• The UK Government GHG Conversion Factors for Company Reporting 2021 (for the 2021/2022 reporting year)</li> <li>• The UK Government GHG Conversion Factors for Company Reporting 2020 (for the 2020/2021 reporting year)</li> <li>• HM Government: Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)</li> <li>• The Hospice will follow the rolling base year option to more easily compare year on year environmental performance, and to minimise the ongoing implications from 2020/2021.</li> </ul>	
<b>Table Notes</b>		
<ol style="list-style-type: none"> <li>1. 2020/2021 is not a true representative year due to COVID lockdowns and restrictions resulting in 45 shop closures from April 2020 and a phased re-opening from April 2021. There was also a reduction in other associated Retail activities. The Hospice In-Patient Unit remained open but with reduced bed numbers, although Community team visits to patients in their own homes increased. A majority of non-clinical staff worked from home, and volunteers were stood down from their roles from March 2020, with a few returning from September 2020. Retail services resumed between April and September 2021, and there was a phased return of Hospice services by April 2022.</li> <li>2. Emissions, total kWh energy used, business mileage and the fte intensity factor for 2021/2022 all increased from 2020/2021, most likely due to full resumption of services and activities across the Hospice following easing/removal of COVID restrictions, although some COVID restrictions did also influence energy use, eg increased heating demand due to open windows to ensure effective ventilation.</li> <li>3. Although not clear from the combined overall totals, there was an actual decrease in electrical consumption in 2021 / 2022 in the main Hospice building, which could be explained by greater numbers of staff working from home, LED replacements of older lights and greater general awareness.</li> <li>4. The figures do not take account of the work-related increase in use of domestic energy for workers working from home.</li> <li>5. More meaningful comparisons should be available in future years.</li> </ol>		

## **Energy Related Mitigation Measures**

Taking forward recommendations from the Hospice's Energy Savings Opportunities Scheme (ESOS) Report (based on the last qualifying period of 2018/2019) and other initiatives we are pursuing, the following mitigation measures to reduce energy use are being actioned/considered.

### **Lighting**

We will continue with our programme to replace older, energy inefficient lighting, eg fluorescent lights, with energy efficient LED lights. Currently around 60% of the main Hospice building has been upgraded. LED replacement plans also include our Retail estate.

### **Heating, Ventilation and Air Conditioning**

We are looking at a centrally controlled temperature system, to stop unreasonable demands on the system. We will continue with planned preventative maintenance work to maximise system insulation and efficient operation, including identifying key components for replacement where they cannot maintain the required energy efficiency levels.

Two more energy efficient condensing boilers have been installed recently to replace the old, inefficient boiler. The new control panel allows finer, more precise and targeted system tuning and adds additional efficiencies.

### **Energy Monitoring and Management**

We are currently in fixed-term contracts with our energy suppliers that expire in 2022. Our ESOS report recommended researching alternative suppliers and we will be using the Hospice Quality Partnership approved broker Focus Energy to support us with this process.

Using available data, we will look at energy usage monitoring and how this can be used to promote/change behaviours and consumption.

### **Renewables and Other Energy Reduction Measures**

The Board has approved a three-year capital expenditure programme that includes approval for the installation of solar panels on the zinc roof of the main Hospice building in 2023/24. These would provide an estimated 50,000kWh of electricity per year (approximately an 1/8th of the main building annual usage) all of which will feed back into Hospice demand. If we can secure funding this project will be brought forward.

### **Transport**

We have invested in the technology to support hybrid-working to cut down on travel to/from the workplace. Many of our meetings and education courses now take place via video conferencing.

Two electric car charge points were installed at the main Hospice building in May 2022 and are available for use by employees, volunteers and visitors. This will enable us to replace the current Hospice diesel vehicle with an electric vehicle and support people coming on site to use electric vehicles.

We will encourage alternative travel options by promoting the Hospice Cycle to Work Scheme and safe walking routes.

### **General**

Our 'Environment Working Group' will promote environmental awareness and behaviours within the Hospice and capture improvement ideas.

We will identify areas where key performance indicators (KPIs) and improvement targets can be set.

## **Areas for further development**

- Waste: identify areas of waste generation and develop initiatives to reduce wastage and promote re-use, up-cycling and re-cycling.
- Water: identify areas of highest water usage and waste and develop initiatives to increase re-use and reduce wastage.
- Nature: identify ways to introduce and support new, non-harmful species into the Hospice grounds while maintaining our current biodiversity, and promote these to our stakeholders to provide wellbeing benefits, interest and awareness.
- Procurement: develop procurement systems that take into account our environmental standards and expectations to ensure responsible and ethical investments, purchases and supply chains.
- Publicity: increase and promote internal and external interest and awareness of Hospice environmental initiatives to all current and future stakeholders.

## **Public benefit**

The Trustees give careful consideration to the Charity Commission's guidance on public benefit when setting the Hospice's aims and objectives and planning activities. Access to our services is on the basis of need and open to anyone via referral from a healthcare professional, or, in the case of bereavement support, self-referral. There is no charge to patients or their families for any of our current care services.

## **Statement of Trustee's responsibilities**

The Trustees (who are the Directors of the Hospice for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in line with the law and the regulations that apply. Under company law, the Trustees must prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare such statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). By law, these statements must give a true and fair view of the Hospice's finances and of the income and expenditure for the financial year.

When preparing these financial statements, the Trustees must:

- Choose suitable accounting policies and follow them consistently;
- Keep to the methods and principles in the Charities' Statement of Recommended Practice (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a 'going concern' basis, unless the Hospice is unlikely to continue in business.

The Trustees must keep proper accounting records that disclose the Hospice's financial position to a reasonable level of accuracy at all times and make sure that the financial statements comply with the Companies Act 2006. They are also responsible for protecting the Hospice's assets and taking reasonable steps to prevent and detect fraud and other unusual activity.

The Trustees believe they have taken all the necessary steps to make the auditors aware of any relevant audit information and have given the auditors a written undertaking to that effect. They

also believe that they have identified the major risks that the Hospice faces. These have been reviewed, and systems have been put in place to reduce these risks as far as possible.

## **Auditor**

Mazars LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

# Fundraising Regulation

Princess Alice Hospice is registered with the Fundraising Regulator and committed to adhering to the Code of Fundraising Practice. We review compliance through audit and monitoring feedback, and take corrective action where required.

## Standards and monitoring

We are committed to following the highest ethical standards and ensuring a quality supporter experience. We have detailed policies and procedures in place that in many cases go beyond the minimum requirements for the sector, and we regularly monitor ourselves and our agencies through a range of methods (including regular internal audits and call listening). This helps ensure all Hospice fundraisers, and those who work on our behalf are aware of, and adhere to, our high standards. Some of our fundraising activity is conducted on our behalf, by carefully selected professional fundraising agencies. We also work with agencies to telephone existing supporters to talk about their donation and, on some occasions, to ask for a further donation. We work very closely with our agencies to make sure they represent our work and our organisation to the highest standards. None of our fundraisers, whether employed by us or one of our agencies, are paid on a commission basis.

## Complaints

We report our complaints on a calendar year basis to comply with the Fundraising Regulator's requirements. The number of complaints received for the 12 months to 31 March 2022 regarding fundraising was zero.

## Managing communications

Most people who donate to us want to know how their money is making a difference. We ask whether they would like us to keep in touch with them so we can update them on our work and how they've helped us. From time to time, we ask supporters if they would like to support us further – for example, by increasing their donation or by taking part in a particular event. Sometimes, we need to share information with authorised people or organisations so they can deliver services. If this is the case, we only give them the information they need to do so – and we always make sure that they will protect information with security and confidentiality processes equivalent to ours.

We ask supporters how they would prefer us to communicate with them. We give them the option to let us know if they prefer less contact or no longer wish to hear from us, and always respect their wishes. We never share, swap, rent or sell our supporters' details to any other charities or third parties for marketing purposes.

## Our Fundraising Promise

We will commit to high standards.

We will be clear, honest and open.

We will be fair and reasonable.

We will be respectful.

For further details please see our privacy policy at [www.pah.org.uk](http://www.pah.org.uk)

# Principal risks and uncertainties

**The Audit and Risk Committee (A&RC) oversees the Hospice's risk management and governance processes on behalf of the Board.**

During 2021/22 we reviewed and refined our approach to risk management. A new organisational risk register was developed, with risks assigned to the SLT lead for each area of business. The register was reviewed by A&RC and approved by the Board. The SLT review the register on a regular basis, at least before every Board meeting, and risks can be escalated or de-escalated at any time, informed by the individual directorate risk registers. The role of A&RC is to oversee the Main Risks and to moderate the organisational risk register. Each committee reviews the risks relevant to its area of operation, supported by the SLT lead.

The Main Risk register has six risk areas that impact the Hospice. These act as domains for the organisational risk register and each committee gives them a "RAG" rating for their area under their remit. This helps A&RC to determine an overall risk rating for the domains. A summary status of main risks, and a commentary, is provided for each board meeting by the Chair of A&RC.

The organisational risk register helps us to prioritise risks in terms of the effect they might have and how likely they are to occur. The register also identifies the controls, systems and procedures in place for mitigation. At each Committee's meeting the register is reviewed and the A&RC is notified of any significant change in any of the major risk areas. Committees cross representation by Trustees allows a verbal report from each Committee to the A&RC by a Trustee member who is also a member of that committee.

There is a formal annual review of the risk domains and organisational risk register by the A&RC and the Board. A&RC collates views and presents a summary to the Board for further discussion.

Along with every other charity, corporation and organisation, the Hospice had to adjust its policies and operations to meet the challenges of the COVID-19 pandemic which impacted on every main risk area. Although most restrictions have been removed the Trustees continue to monitor the business impact of living with COVID-19 during 2022/23. The potential for restrictions to be re-imposed if infection levels rise later in the year cannot be ruled out.

At the present time we have not seen any significant business impact as a result of the Russian invasion of Ukraine apart from the general economic impact being experienced across the UK. However, the impact of rising inflation is a serious concern for the Board and we are seeing significant increases in the cost of utilities, services and consumables. One of our main risks is recruitment and retention and we are facing an increasingly competitive jobs market locally. The Board have agreed to match the NHS pay award, when announced, to mitigate the risk of losing staff. We have already paid a 3% increase from 1 April, recognising that our employees are also experiencing the effect of rising prices.

The longer-term economic impact of the UK leaving the EU, the pandemic and the conflict in Ukraine remains, and will remain, a significant concern/risk for the Board and its committees.

## **Our Main Risk areas are:**

**Income** – inability to generate sufficient income to deliver our charitable activities. We have diversified our income streams, monitor our finances closely and have an appropriate level of reserves to withstand short term funding fluctuations. If we identify a longer-term trend of falling income, our reserves will ensure continuity of service provision whilst we seek other sources of funding or implement an appropriate cost reduction programme. Since the onset of the COVID-19 pandemic, F&GP receive a weekly update on our cash position.

**People** – inability to recruit and retain the people with the right skills we need across the organisation. We carry out workforce planning and monitor supply and demand carefully,

introducing new roles and diversifying skills and competencies to make scarce resource go further. We have developed a new “People Plan” for the strategic period 2022 – 27 which supports effective recruitment, development and retention. We also carry out employee satisfaction and wellbeing surveys.

**Culture/morale – inability to align our culture with changes that we need to make and that are being made in the environment within which we work.** The Board and SLT recognise that our people are at the heart of all we do and that it is essential that our employees and volunteers understand what is important to us, our patients and families and the communities that we work with. We are open and transparent in our communications, share our business decisions and rationale and take steps to ensure that the organisational strategy is known and understood throughout the organisation. We monitor the effectiveness of these steps by conducting regular employee and volunteer engagement surveys.

**Health and Social Care Environment – the risk that changes in the health and social care environment will impact on our NHS funding and/or our ability to continue to deliver palliative and end of life care and support.** Senior colleagues work in partnership with health and care professionals and organisations across local health economies, demonstrating the impact of the care that we deliver. As new structures emerge, we take every opportunity to ensure that we have effective representation and continue to advocate for the needs of patients facing the end of life.

**Reputation – risk of reputational damage.** As a sector leader, our reputation is of vital importance. We have a comprehensive set of policies and procedures in place to ensure compliance with best practice and legislation. All comments and complaints are promptly responded to and investigated to ensure that lessons are learned for organisational improvement. This is supported by our communications strategy. In 2021/22 the Hospice was inspected by the CQC and achieved an overall rating of “Outstanding” for the second consecutive time.

**Business continuity – risk of fire, flood or other environmental events that impact on our ability to operate.** We have a comprehensive business continuity plan in place. This includes contingency plans for maintaining services and operations in the event that the Hospice building is out of use. We have an offsite disaster recovery server which can be brought online very quickly to ensure continued access to patient records and other business critical information. Staff receive regular training on dealing with emergency situations, including evacuation of the premises if necessary. Elements of the plan are tested on a regular basis. Our ability to continue to deliver care and support and maintain our operations during the COVID-19 pandemic has provided reassurance to the Board.

Approved by the Board of Trustees on 13 July 2022 and  
signed on its behalf by



Sean Hilton

Chair, Board of Trustees, Princess Alice Hospice

# Independent auditor's report to the members of Princess Alice Hospice

## Opinion

We have audited the financial statements of Princess Alice Hospice (the 'charity') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity and the group's affairs as at 31 March 2022 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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 other information comprises the information included in the Strategic Report and Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material

misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within 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 and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

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

### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006, the Charities Act 2011 and the Charities Statement of Recommended Practice.

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

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

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

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

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

## Use of the audit report

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

A handwritten signature in blue ink that reads "Nicola Wakefield". The signature is written in a cursive style.

Nicola Wakefield  
(Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS  
Date: 1 September 2022

# Consolidated statement of financial activities (including income and expenditure account)

For the year ended 31 March 2022

Consolidated	Notes	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds 2022	Total funds 2021
		£	£	£	£	£	£
<b>Income</b>							
<b>Donations and legacies</b>							
Donations	1.4	2,048,934	-	262,361	-	2,311,295	2,563,840
Legacies	1.4	3,840,693	-	-	-	3,840,693	2,943,798
NHS grants	1.4	2,106,148	-	-	-	2,106,148	2,095,908
<b>Other trading activities</b>							
Retail shops	2	6,042,851	-	-	-	6,042,851	1,544,272
Fundraising events	1.4	449,611	-	-	-	449,611	397,182
Trading subsidiaries	3	665,358	-	-	-	665,358	595,067
<b>Investments</b>	1.4	51,826	-	-	905	52,731	51,933
<b>Charitable activities</b>							
NHS England Covid-19 funding	1.4	-	-	2,049,130	-	2,049,130	6,276,936
NHS Covid-19 local response funding	1.4	-	-	-	-	-	289,529
NHS service funding	1.4	322,963	-	-	-	322,963	278,519
NHS continuing healthcare funding	1.4	55,183	-	-	-	55,183	62,190
Education	1.4	240,286	-	-	-	240,286	132,902
<b>Other income</b>							
Coronavirus Retail Grants	1.4	200,963	-	-	-	200,963	531,940
Coronavirus Job Retention Scheme	1.4	51,067	-	-	-	51,067	1,302,403
Other income	1.4	59,054	-	-	-	59,054	10,942
<b>Total income</b>		<b>16,134,937</b>	<b>-</b>	<b>2,311,491</b>	<b>905</b>	<b>18,447,333</b>	<b>19,077,361</b>
<b>Expenditure</b>							
<b>Expenditure on raising donations and legacies</b>	4	966,114	586	-	-	966,700	930,301
<b>Expenditure on other trading activities</b>							
Retail shops	2 & 4	5,705,055	2,422	-	-	5,707,477	4,698,979
Fundraising events	4	139,326	-	-	-	139,326	131,327
Trading subsidiaries	3 & 4	281,639	-	-	-	281,639	246,129
<b>Total expenditure on raising funds</b>		<b>6,126,020</b>	<b>2,422</b>	<b>-</b>	<b>-</b>	<b>6,128,442</b>	<b>5,076,435</b>
<b>Expenditure on charitable activities</b>							
In-patient care	4	3,563,571	2,018	1,194,633	885	4,761,107	5,011,016
Hospice at home	4	2,812,784	1,622	1,013,737	-	3,828,143	3,698,611
Community engagement and support	4	596,642	274	48,125	-	645,041	569,383
Education	4	800,697	339	-	20	801,056	776,909
<b>Total expenditure on charitable activities</b>		<b>7,773,694</b>	<b>4,253</b>	<b>2,256,495</b>	<b>905</b>	<b>10,035,347</b>	<b>10,055,919</b>
<b>Total expenditure</b>	4	<b>14,865,828</b>	<b>7,261</b>	<b>2,256,495</b>	<b>905</b>	<b>17,130,489</b>	<b>16,062,655</b>
<b>Net income before gains/losses</b>		<b>1,269,109</b>	<b>(7,261)</b>	<b>54,996</b>	<b>-</b>	<b>1,316,844</b>	<b>3,014,706</b>
Net gains on investments	11	164,758	-	-	-	164,758	437,365
<b>Net income</b>		<b>1,433,867</b>	<b>(7,261)</b>	<b>54,996</b>	<b>-</b>	<b>1,481,602</b>	<b>3,452,071</b>
Transfer from designated funds	5	(379,126)	379,126	-	-	-	-
Transfer from restricted funds	6	53,201	-	(53,201)	-	-	-
<b>Net movement in funds</b>		<b>1,107,942</b>	<b>371,865</b>	<b>1,795</b>	<b>-</b>	<b>1,481,602</b>	<b>3,452,071</b>
<b>Reconciliation of funds</b>							
<b>Total funds brought forward at 1 April 2021</b>		<b>322,403</b>	<b>18,391,230</b>	<b>78,069</b>	<b>905,041</b>	<b>19,696,743</b>	<b>16,244,672</b>
<b>Total funds carried forward at 31 March 2022</b>		<b>1,430,345</b>	<b>18,763,095</b>	<b>79,864</b>	<b>905,041</b>	<b>21,178,345</b>	<b>19,696,743</b>

Note 5

Note 6

Note 7

All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The comparative figures for each fund are shown in Note 8. The Notes on pages 31 to 46 form part of these financial statements.

## Balance sheets as at 31 March 2022

	Notes	Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	9	71,867	110,982	71,867	110,982
Tangible fixed assets	10	5,820,191	6,201,950	5,820,191	6,201,950
Investments	11	3,203,711	3,007,844	3,204,811	3,008,944
<b>Total fixed assets</b>		<b>9,095,769</b>	<b>9,320,776</b>	<b>9,096,869</b>	<b>9,321,876</b>
<b>Current assets</b>					
Stock	12	16,732	28,594	-	-
Debtors	13	6,318,098	4,802,990	6,573,728	5,018,254
Cash at bank		7,236,261	6,544,196	6,887,633	6,253,622
<b>Total current assets</b>		<b>13,571,091</b>	<b>11,375,780</b>	<b>13,461,361</b>	<b>11,271,876</b>
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	(1,389,515)	(900,813)	(1,280,885)	(798,009)
<b>Net current assets</b>		<b>12,181,576</b>	<b>10,474,967</b>	<b>12,180,476</b>	<b>10,473,867</b>
<b>Total assets less current liabilities</b>		<b>21,277,345</b>	<b>19,795,743</b>	<b>21,277,345</b>	<b>19,795,743</b>
<b>Provisions for liabilities</b>					
Annuity provision	1.9	(99,000)	(99,000)	(99,000)	(99,000)
<b>Total net assets</b>		<b>21,178,345</b>	<b>19,696,743</b>	<b>21,178,345</b>	<b>19,696,743</b>
<b>The funds of the charity:</b>					
Endowment funds	7	905,041	905,041	905,041	905,041
Restricted income funds	6	79,864	78,069	79,864	78,069
Designated funds	5	18,763,095	18,391,230	18,763,095	18,391,230
Unrestricted funds		1,430,345	322,403	1,430,345	322,403
		<b>21,178,345</b>	<b>19,696,743</b>	<b>21,178,345</b>	<b>19,696,743</b>

Approved by the Board of Trustees on 13 July 2022 and signed on its behalf by:



Sean Hilton  
Chair



D. Don-Wauchope  
Honorary Treasurer

## Consolidated cash flow statement for the year ended 31 March 2022

	Notes	2022	2021
		£	£
<b>Net income for the year (as per the statement of financial activities)</b>	<b>b/fwd from page 29</b>	<b>1,481,602</b>	<b>3,452,071</b>
<b>Adjustments for:</b>			
Depreciation and amortisation	<b>9 &amp; 10</b>	725,253	691,141
Net (gain) on investments	<b>11</b>	(164,758)	(437,365)
Investment income		(52,731)	(51,933)
Decrease in stock	<b>12</b>	11,862	5,217
(Increase)/decrease in debtors	<b>13</b>	(1,515,108)	960,027
Increase/(decrease) in creditors	<b>14</b>	488,702	(241,132)
<b>Cash flows from operating activities</b>			
<b>Net cash provided by operating activities</b>		<b>974,822</b>	<b>4,378,026</b>
<b>Cash flows from investing activities</b>			
Investment income		52,731	51,933
(Purchase) of fixed assets	<b>9 &amp; 10</b>	(304,379)	(186,498)
Sale of investments	<b>11</b>	409,999	1,112,716
Movement in cash		60,387	(124,619)
(Purchase) of investments	<b>11</b>	(501,495)	(1,021,737)
<b>Net cash (used in) investing activities</b>		<b>(282,757)</b>	<b>(168,205)</b>
<b>Increase in cash in the year</b>		<b>692,065</b>	<b>4,209,821</b>
<b>Opening balance at bank</b>		<b>6,544,196</b>	<b>2,334,375</b>
<b>Closing balance at bank</b>		<b>7,236,261</b>	<b>6,544,196</b>

## Notes to the Financial Statements

### FOR THE YEAR ENDED 31 MARCH 2022

#### 1. Accounting Policies

##### 1.1 Basis of preparation

These financial statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - ("Charities SORP" (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006.

The charitable company, Princess Alice Hospice (the "Hospice") 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(s).

The financial position of the Hospice is set out in the Trustees' Annual Report. The COVID-19 pandemic has continued to impact the Hospice's voluntary and trading income in 2021/22. Retail income has recovered strongly and alongside planned changes to the structure of the retail estate saw a significant improvement. The Hospice has been able to access Government re-start grants for retail businesses of £200,963 (2021: £531,940 various support grants). The Hospice claimed, and was reimbursed for, £34,299 (2021: £1,197,431) from the Coronavirus Job Retention Scheme

(CJRS) for shop staff who were furloughed. (See note 1.4 for more details of these grants). The retail shops also benefitted from a business rates holiday for part of 2021/22.

Fundraising has recovered more slowly, with community fundraising particularly impacted. PAH Trading Limited saw a recovery in new goods sales and commission on Gift-aided sales after the shops re-opened. Face-to-face education courses have remained limited during the year but courses offered via remote learning have expanded.

The Hospice has benefited from NHS England restricted funding in the form of grants through Hospice UK to support the NHS COVID-19 response. This is on a similar basis to the programme that ran from November 2020 to March 2021. A total of £2,049,130 (2021: £6,276,936) was receivable during 2021/22 of which £1,682,811 (2021: £1,187,019) remained outstanding at 31 March 2022. (See note 1.4 for further details)

Cash flow forecasts have been prepared and a range of future scenarios considered. The Trustees are satisfied that, due to the level of cash and reserves held, even under the worst-case scenario considered there are sufficient funds to continue operating and meet liabilities as they fall due for the foreseeable future.

The Trustees are of the opinion that the Hospice has sufficient money in current bank and building society accounts together with investment funds to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of accounting in preparing these annual financial statements.

## **1.2 Group financial statements**

The financial statements consolidate the results of the Hospice and its wholly-owned subsidiaries PAH Trading Limited and PAH Lottery Limited (“the group”) on a line-by-line basis. A separate Statement of Financial Activities (“SoFA”) and Income and Expenditure Account for the charity has not been presented because the Hospice has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The income of the Hospice was £18,165,695 (2021: £18,831,497) and the expenditure was £16,848,851 (2021: £15,816,790).

## **1.3 Fund accounting**

Endowment, restricted, designated and unrestricted funds are separately disclosed in the Balance Sheet and in the Consolidated SoFA. These different funds are defined as follows:

- Endowment funds are funds given to the Hospice where it may use only the income generated from investing these funds
- Restricted funds are subject to specific restrictive conditions imposed by the donor or by the nature of an appeal
- Designated funds are set aside at the discretion of the Trustees for specific purposes. They would otherwise form part of unrestricted funds
- Unrestricted funds are available to use at the discretion of the Trustees in furtherance of the charitable objectives of the Hospice.

## **1.4 Income**

The total income receivable in the year comprises donations, legacies, NHS income, income from trading activities, interest, fees from education courses run by the Hospice, coronavirus-related government grants and other sundry income.

Legacies are recognised as income when it can reasonably be assumed that the Hospice is entitled to the legacy and the amount can be estimated with sufficient reliability.

NHS England (NHSE) COVID-19 funding is income received under a funding programme administered by Hospice UK during 2021/22. The NHSE awarded funding for hospices to provide

patient care to support the NHS COVID-19 response. The funding was restricted and has been fully expended in 2021/22.

NHS grants are the block grants that the Hospice receives from NHS Surrey Heartlands Clinical Commissioning Group, and NHS South West London Clinical Commissioning Group (the “CCGs”). These are based on historic practice and not related to the level of clinical activity undertaken by the Hospice. They are only agreed for up to one year at a time.

NHS service funding is income received related to the provision of a clinical service, which is normally linked to specific clinical activities undertaken by the Hospice. This may be funding for a new initiative which has been commissioned by a CCG in its care area, such as rapid response night service, or a pilot project. Funding is typically received as a percentage contribution towards the total costs.

NHS continuing healthcare funding is income received for patients who are eligible for a continuing care package. These patients are ready for discharge from the In-Patient Unit but are waiting for a suitable place in a care home or nursing home, or for domiciliary care to be arranged.

Retail re-start grants are Government grants received via local authorities to support non-essential retail businesses to get up and running after lockdown closure.

The CJRS was set up by the Government to support businesses with the employment costs of staff who would otherwise have been laid off or made redundant because the business was severely impacted by the COVID-19 crisis. The Hospice claimed, and was reimbursed for, £51,067 in total for 2021/22 (2021: £1,302,403).

### **1.5 Donated goods and services**

Donated vehicles, plant or furniture are recognised as tangible fixed assets and the corresponding gain recognised as income from donations in the SoFA. Donated facilities or services are likewise recognised as income from donations on the basis of the value of the gift to the Hospice and an equivalent amount recognised as an expense under the appropriate heading in the SoFA.

The Hospice received donations of goods to the value of £12,593 in the year ended 31 March 2022 (2021: £Nil). Donated goods for resale are recognised as income when sold and included in income from retail shops in the SoFA. It is not practical to estimate the fair value of these goods on receipt because of the volume of low-value items received and the lack of detailed records.

In accordance with the Charities SORP (FRS 102), general volunteer time is not included as income in the accounts as it is not possible to measure this reliably. However, the Hospice relies on the contribution of volunteers and is very grateful for their time. See page 16 for further details.

### **1.6 Expenditure**

Direct costs comprise expenditure incurred during the year both directly and indirectly attributable to the activity concerned. Support costs include the cost of governance, housekeeping, catering, facilities and health & safety, people services, marketing and communication, finance and administration and depreciation of fixed assets. These have been allocated to activities on a proportionate basis e.g. by activity level, headcount or on the basis of staff time spent (see Note 4).

### **1.7 Taxation**

As a registered charity, the Hospice benefits from business rates relief from local Councils and is exempt from direct tax on its charitable activities. The Hospice is able to claim back VAT on most of its activities, any irrecoverable VAT is included in the cost of those items to which it relates. Income tax recoverable in respect of donations under Gift Aid and investment income is included with the income to which it relates.

## 1.8 Intangible and tangible fixed assets

Fixed assets are stated at cost, net of depreciation. Depreciation is provided at rates calculated to write off the cost in equal instalments over the economic life of the asset at the following annual rates:

• Intangible assets	20%/33%
• Freehold land	0%
• Freehold buildings	4%
• Leasehold buildings	over the life of the lease
• Furniture and equipment	10%
• Medical equipment	20%
• Motor vehicles	25%
• Information and Communication Technology Equipment	20%/33%

Items are treated as fixed assets and their costs capitalised only where the purchase price exceeds £1,000.

Intangible fixed assets are non-monetary fixed assets that do not have physical substance, such as computer software, licences and website development.

The cost of leasehold buildings represents capital expenditure on retail shops and lease acquisition premiums.

## 1.9 Pension costs

The total employer pension contribution to all schemes for the year ended 31 March 2022 was £623,568 (2021: £632,716). Total contributions of £95,838 (2021: £98,040) were due to be paid after the year end.

### NHS Pension Scheme

The Hospice makes payments to the NHS Pension Scheme for former NHS employees who, on employment with the Hospice, are eligible to continue in or re-join the NHS Pension Scheme. The NHS Pension Scheme is an unfunded defined benefit scheme that covers employees of NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State for Health and Social Care in England and Wales, which includes the Hospice. It is not possible to identify the Hospice's share of the underlying assets and liabilities and as a result the NHS Pension Scheme is treated as a defined contribution scheme under FRS102.

The employer contribution payable in the year to the NHS Pension Scheme was £318,855 (2021: £335,766).

### Group Personal Pension Scheme

A defined contribution scheme is in operation for eligible employees with contributions payable by both the Hospice and the relevant employees. The assets of these plans are held separately from those of the Hospice, being invested with an insurance company. The current provider of the scheme is Scottish Widows Limited.

The employer contribution payable in the year into the Group Personal Pension Scheme was £199,982 (2021: £203,009).

## **Auto-enrolment**

All employees meeting certain criteria must be enrolled into a workplace pension if they are not already in a qualifying scheme. The Hospice has chosen the National Employment Savings Trust (“NEST”) to meet its auto-enrolment obligations. The employer contribution payable in the year into NEST was £87,025 (2021: £77,518).

## **Other pension schemes**

The Hospice contributed to one other pension scheme (2021: one). This scheme is a defined contribution pension scheme.

Prior to 31 December 2011 it was a defined benefit scheme, which is now closed to new members and also to future accrual of benefits to existing members. It is not possible to identify the Hospice’s share of the underlying assets and liabilities and as a result the scheme is treated as a defined contribution scheme under FRS102. However, the scheme is in deficit and the Hospice is paying its share of the deficit on an ongoing basis through its employer contributions at a rate set by the scheme and reviewed annually.

The employer contribution payable in the year into the scheme was £9,960 (2021: £8,503).

## **Annuities**

The Hospice is contracted to pay annual sums for life to two former employees based on a sum of £4,499 per annum in 1998 increased by the Hospice annual salary increase (if any). The sum paid in the year under review was £7,746 (2021: £7,520). This liability is met from income in the year in which it is paid. During 2021/22 the Hospice was notified that one of the former employees had died.

A provision of £99,000 is retained to cover future unfunded liabilities. The Trustees consider this provision to be adequate.

### **1.10 Stock**

Stock purchased for sale is valued at the lower of cost and net realisable value. Stock donated for sale in the Hospice’s retail shops is valued at nil.

### **1.11 Operating leases**

The Hospice has entered into various operating leases, the future financial commitment to which is set out in Note 18. Rentals payable under these leases are charged on a straight-line basis over the term of the lease.

### **1.12 Investments**

Listed investments are included in the balance sheet at market value. Realised gains and losses on disposals in the year and unrealised gains and losses on investments at the balance sheet date are included in the Consolidated Statement of Financial Activities. The movement in the valuation of investments during the year is set out in Note 11.

## 2. Retail shops results

		2022	2021
		£	£
Turnover*		6,042,851	1,544,272
Direct costs	(5,407,501)		
Support costs	(299,976)	(5,707,477)	(4,698,979)
Net contribution/(deficit) as per SoFA		335,374	(3,154,707)
"Other income" related to retail operations			
Coronavirus Job Retention Scheme	34,299		
Coronavirus retail grants	200,963	235,262	1,729,371
		570,636	(1,425,336)

\*Turnover includes £1,870,868 (2021: £503,015) of donations and associated Gift Aid of £467,717 (2021: £125,754) from the retail Gift Aid scheme. This scheme involves PAH Trading Limited selling goods on behalf of supporters ("Agency Sales") in the Hospice's retail shops and the supporters then donating the proceeds of the Agency Sales to the Hospice under Gift Aid.

The retail shops re-opened from 12 April 2021 and there were no further enforced closures due to the pandemic. Retail shop staff were furloughed from 1 – 12 April 2021 and the Hospice was able to recover the majority of their salary costs through the CJRS. A total of £34,299 (2021: £1,197,431) was recovered. This is shown under "other income" in the Statement of Financial Activities (SoFA) on page 29. The Hospice has also been able to access retail re-start grants of £200,963 (2021: £531,940). Although the grants are directly related to the retail shops the income is treated as a Government grant and is shown under "other income" in the SoFA.

### 3. Trading subsidiaries

The Hospice has two wholly-owned subsidiaries which are incorporated in the UK for the purposes of generating income for the Hospice's charitable purposes. The whole of their taxable profit is donated to the Hospice under a Deed of Covenant within nine months of the year end. The specific activity of each of the trading subsidiaries is:

PAH Trading Limited (1925762) – sells new and promotional goods, as well as receiving commission on Agency Sales, provides catering services for the benefit of the Hospice and external users and undertakes other sundry trading activities.

Agency sales and sales of new goods resumed when the shops re-opened in April 2021. Catering services for visitors were only re-introduced once all of the Covid-19 restrictions were lifted. The business has shown a good recovery although profits are not yet at pre-pandemic levels.

PAH Lottery Limited (3347939) – operates lotteries. The lottery was less impacted by the pandemic but ticket sales through the shops did not recommence until September 2021. There continued to be a small decline in regular subscribers and plans are in place to address this in 2022/23.

	PAH	PAH	Total	Total
	Trading Ltd	Lottery Ltd	2022	2021
Profit and loss accounts	£	£	£	£
Turnover	184,108	481,250	665,358	595,067
Income	184,108	481,250	665,358	595,067
Cost of sales	(100,563)	(104,520)	(205,083)	(170,232)
Direct overheads	-	(33,669)	(33,669)	(42,384)
Administrative expenses	(9,344)	(45,414)	(54,758)	(38,105)
Expenses	(109,907)	(183,603)	(293,510)	(250,721)
Net profit	74,201	297,647	371,848	344,346
Amount covenanted to the Hospice	(74,201)	(297,647)	(371,848)	(344,346)
Retained in subsidiary	-	-	-	-
Previous year net profit (all covenanted to the Hospice)	29,363	314,983	344,346	-
<b>Shareholder's funds</b>				
Share capital (issued)	100	1,000	1,100	1,100

#### 4. Total expenditure

	Direct Costs	Support costs (See note 1.6)	Total 2022	Total 2021
	£	£	£	£
In-patient care	2,956,286	1,804,821	4,761,107	5,011,016
Princess Alice at home	2,999,996	828,147	3,828,143	3,698,611
Community engagement and support	481,158	163,883	645,041	569,383
Education	475,330	325,726	801,056	776,909
Raising donations and legacies	557,135	409,565	966,700	930,301
Fundraising events	139,326	-	139,326	131,327
Retail shops	5,407,501	299,976	5,707,477	4,698,979
	13,016,732	3,832,118	16,848,850	15,816,526
Trading subsidiaries	281,639	-	281,639	246,129
	13,298,371	3,832,118	17,130,489	16,062,655
<b>Analysis of support costs:</b>	<b>Basis of apportionment</b>	<b>Group 2022</b>		<b>Group 2021</b>
		£		£
Governance	Time spent	30,033		34,465
Housekeeping	Time spent	541,351		526,368
Catering	Resource allocated	281,572		260,011
Facilities and health & safety	Resource allocated	394,767		441,833
People services	Head count	265,670		209,749
Volunteering	Resource allocated	103,800		98,345
Information technology	Time spent	418,260		301,663
Marketing and communication	Resource allocated	314,971		318,574
Digital and data	Time spent	187,526		273,629
Executive, finance and administration	Time spent	696,067		699,569
Amortisation/depreciation (excluding retail)	Resource allocated	598,101		602,265
		3,832,118		3,766,471
		<b>Group 2022</b>		<b>Group 2021</b>
<b>The above figures include:</b>		£		£
Auditor's remuneration - statutory audit		20,503		17,220
- other services		4,370		4,350
Operating lease rentals:				
For charitable activities:				
Equipment		25,312		31,350
For generating funds:				
Leasehold retail shops		1,561,717		1,441,120
Amortisation/depreciation of owned assets		725,253		691,141

## 5. Designated funds

	Group and Hospice			
	Balance		Net	Balance
	2021	Expenditure	Transfers	2022
	£	£	£	£
Fixed Asset Equalisation Fund	6,312,932	-	(420,874)	5,892,058
Running Costs Reserve	10,644,000	-	300,000	10,944,000
Strategic Development Reserve	1,400,000	-	-	1,400,000
Sustainable Building Development Fund	-	-	500,000	500,000
Staff wellbeing fund	34,298	(7,261)	-	27,037
	18,391,230	(7,261)	379,126	18,763,095

The Fixed Asset Equalisation Fund represents the net book value of tangible and intangible fixed assets. This assists in identifying funds which are not free for the Trustees to use. The transfer of £429,504 out to (2021: £504,643 out to) unrestricted funds represents the difference between net capital expenditure and depreciation.

The Running Costs Reserve is intended to provide adequate reserves to meet future charitable expenditure in the event of a significant short-term drop in income. The Trustees are targeting a level of 9 months +/- 3 months budgeted charitable expenditure. A transfer of £300,000 (2021: £2,796,000) has been made in from unrestricted funds. The balance on this fund is 12 months (2021:12) of the Hospice's budgeted cash expenditure on charitable activities for 2022/23.

The Strategic Development Reserve has been established to support the delivery of the Hospice's strategic objectives. There has been no transfer into the reserve from unrestricted funds in the year (2021: £983,442). No expenditure was incurred in the year (2021: £Nil). The Hospice's new strategy was launched in April 2022 and the Trustees have agreed a number of strategic change projects starting from April funded from this reserve. The reserve is expected to be fully expended over the next three years and expenditure of up to £600,000 has been agreed for 2022/23.

The Sustainable Building Development Fund has been established to cover the cost of bringing the older part of the Hospice building, which is now 16 years old, up to modern standards of energy efficiency and to make it fit for purpose for new ways of working. It will also fund sustainable building development initiatives, as they are identified, to meet our sustainability goals. A transfer of £500,000 has been made in from unrestricted funds (2021: nil).

The Staff Wellbeing Fund has been established to fund initiatives to improve workforce wellbeing and engagement. Expenditure of £7,261 (2021: £Nil) was incurred during the year on providing an Employee Assistance Programme through BUPA, delivering a Wellbeing Week and a staff summer party.

## 6. Restricted funds

	Group and Hospice				
	Balance	Income	Expenditure	Transfers	Balance
	2021				2022
	£	£	£	£	£
Ward equipment fund	20,631	3,520	(161)	(10,818)	13,172
Children in Need project	-	9,670	(9,670)	-	-
Community Choir	1,500	-	(1,500)	-	-
Bereavement Service	3,262	21,200	(21,151)	-	3,311
Wellbeing	664	3,750	(33)	-	4,381
Rapid response nurse	-	50,000	(50,000)	-	-
Enhanced support service	5,769	48,771	(23,523)	-	31,017
Hospice at Home	26,904	-	(26,904)	-	-
Compassionate neighbours	4,549	10,000	(10,000)	-	4,549
Man Shed	5,155	10,000	(5,804)	(2,083)	7,268
Covid visitor coordinator	7,366	-	(4,794)	-	2,572
NHS England - patient care	-	2,049,130	(2,049,130)	-	-
In-patient unit general	-	50,000	(50,000)	-	-
In-patient unit refresh	-	40,300	-	(40,300)	-
Garden	-	15,100	(3,346)	-	11,754
Other Funds	2,269	50	(479)	-	1,840
	78,069	2,311,491	(2,256,495)	(53,201)	79,864

The policy of the Trustees is to treat donations given for specific purposes as Restricted Funds until properly expended. The funds shown are those which were directed by donors to be used for specific purposes and are unexpended at 31 March 2022. These funds will be used in accordance with the directions of the donors in a subsequent accounting period.

## 7. Endowment funds

	Group and Hospice			
	Balance	Movement in resources		Balance
	2021	Income	Expenditure	2022
	£	£	£	£
The Edwin Stevens fund	40,000	40	(40)	40,000
The D.J. Squires "Love of Roses" fund	20,000	20	(20)	20,000
The June Daphne Allen fund	845,041	845	(845)	845,041
	905,041	905	(905)	905,041

The Edwin Stevens fund relates to a permanent capital contribution received on establishment of the Hospice. The D.J. Squires Love of Roses fund was established in 1996, the income from which is to be used for the research and advance of palliative care. The June Daphne Allen fund was created by the conditions of a legacy received in July 2001, the income from which is to be used for the general purposes of the Hospice. All income arising from these funds was expended during the year.

## 8. Comparative results for each group of funds

Year ended 31 March 2021	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds 2021
	£	£	£	£	£
<b>Income</b>					
Donations	2,369,906	-	193,934	-	2,563,840
Legacies	2,943,798	-	-	-	2,943,798
NHS grants	2,095,908	-	-	-	2,095,908
NHS England Covid-19 emergency funding	-	-	6,276,936	-	6,276,936
NHS Covid-19 local response funding	-	-	289,529	-	289,529
NHS service funding	278,519	-	-	-	278,519
NHS continuing healthcare funding	62,190	-	-	-	62,190
Education	132,902	-	-	-	132,902
Retail shops	1,544,272	-	-	-	1,544,272
Fundraising events	397,182	-	-	-	397,182
Trading subsidiaries	595,067	-	-	-	595,067
Investments	51,842	-	-	91	51,933
Coronavirus retail grants	531,940	-	-	-	531,940
Coronavirus job retention scheme	1,302,403	-	-	-	1,302,403
Other income	10,942	-	-	-	10,942
<b>Total income</b>	<b>12,316,871</b>	<b>-</b>	<b>6,760,399</b>	<b>91</b>	<b>19,077,361</b>
<b>Expenditure</b>					
Raising donations and legacies	930,301	-	-	-	930,301
Retail shops	4,698,979	-	-	-	4,698,979
Fundraising events	131,327	-	-	-	131,327
Trading subsidiaries	246,129	-	-	-	246,129
In-patient care	1,252,205	-	3,758,722	89	5,011,016
Hospice at Home	779,667	-	2,918,944	-	3,698,611
Community engagement and support	476,710	-	92,673	-	569,383
Education	776,907	-	-	2	776,909
<b>Total expenditure</b>	<b>9,292,225</b>	<b>-</b>	<b>6,770,339</b>	<b>91</b>	<b>16,062,655</b>
Net gain on investments	437,365	-	-	-	437,365
<b>Net income/(expenditure)</b>	<b>3,462,011</b>	<b>-</b>	<b>(9,940)</b>	<b>-</b>	<b>3,452,071</b>
Transfer to designated funds	(3,274,799)	3,274,799	-	-	-
Transfer from restricted funds	2,243	-	(2,243)	-	-
<b>Net movement in funds</b>	<b>189,455</b>	<b>3,274,799</b>	<b>(12,183)</b>	<b>-</b>	<b>3,452,071</b>

## 9. Intangible assets

Total 2022	
Cost	£
At 1 April 2021	492,316
Purchases	17,019
Disposals	(9,231)
At 31 March 2022	500,104
<b>Amortisation</b>	
At 1 April 2021	381,334
Charge for year	56,134
Disposals	(9,231)
At 31 March 2022	428,237
<b>Net book value</b>	
At 31 March 2022	71,867
At 31 March 2021	110,982

## 10. Tangible fixed assets

	Group and Hospice				
	Freehold land	Freehold buildings	Leasehold buildings	Furniture, equipment and vehicles	Total 2022
<b>Cost or valuation</b>	£	£	£	£	£
At 1 April 2021	71,586	12,164,021	526,288	2,165,737	14,927,632
Purchases	-	83,536	18,505	185,319	287,360
Disposals	-	-	(67,299)	(249,504)	(316,803)
<b>At 31 March 2022</b>	<b>71,586</b>	<b>12,247,557</b>	<b>477,494</b>	<b>2,101,552</b>	<b>14,898,189</b>
<b>Depreciation</b>					
At 1 April 2021	-	6,748,757	248,382	1,728,543	8,725,682
Charge for year	-	439,031	90,770	139,318	669,119
Disposals	-	-	(67,299)	(249,504)	(316,803)
<b>At 31 March 2022</b>	<b>-</b>	<b>7,187,788</b>	<b>271,853</b>	<b>1,618,357</b>	<b>9,077,998</b>
<b>Net book value</b>					
<b>At 31 March 2022</b>	<b>71,586</b>	<b>5,059,769</b>	<b>205,641</b>	<b>483,195</b>	<b>5,820,191</b>
<b>At 31 March 2021</b>	<b>71,586</b>	<b>5,415,264</b>	<b>277,906</b>	<b>437,194</b>	<b>6,201,950</b>

## 11. Investments

	2022	2021
	£	£
<b>Marketable investments</b>		
Market value at start of year	3,007,844	2,536,839
Net additions at cost	441,108	1,146,356
Disposals at market value	(409,999)	(1,112,716)
Net (loss)/gain on revaluation/disposal	164,758	437,365
Market value at 31 March	3,203,711	3,007,844
<b>Trading subsidiaries (see Note 3)</b>	<b>1,100</b>	<b>1,100</b>
<b>Total investments</b>	<b>3,204,811</b>	<b>3,008,944</b>
Cost at 31 March	2,562,875	2,494,557
	2022	2021
	£	£
Marketable investments comprise:		
Equities	1,610,606	1,536,927
Fixed Income	498,064	476,230
Other securities (absolute return funds, multi-asset funds, property funds, etc.)	955,449	794,708
Short term deposits and cash	139,592	199,979
	<b>3,203,711</b>	<b>3,007,844</b>

## 12. Stock

	Group	
	2022	2021
	£	£
Stock of promotional and new goods (all stock is held by PAH Trading Limited)	16,732	28,594

### 13. Debtors

	Group		Hospice	
	2022	2021	2022	2021
	£	£	£	£
Operating debtors	404,647	234,119	414,564	234,119
Accrued legacy income	2,926,436	2,472,085	2,926,436	2,472,085
Gift Aid recoverable	437,695	76,370	437,695	76,370
NHS England Covid-19 funding	1,682,811	1,184,223	1,682,811	1,184,223
Retail rents prepaid	388,585	404,230	388,585	404,230
Insurance pre-paid	114,740	-	114,740	-
Coronavirus Retail Grants	-	84,143	-	84,143
Coronavirus Job Retention Scheme	-	160,495	-	160,495
Other debtors and prepayments	363,184	187,325	359,869	173,896
Amounts due from subsidiaries	-	-	249,028	228,693
	6,318,098	4,802,990	6,573,728	5,018,254

### 14. Creditors

	Group		Hospice	
	2022	2021	2022	2021
	£	£	£	£
Taxation and social security costs	235,604	223,834	235,604	223,834
Salaries and holiday pay	56,268	94,481	56,268	94,481
Operating creditors	377,053	186,880	372,253	185,869
NHS grants paid in advance	171,123	-	171,123	-
Other creditors and accruals	549,467	395,618	445,637	293,825
	1,389,515	900,813	1,280,885	798,009

### 15. Staff remuneration

	Group	
	2022	2021
Costs	£	£
Salaries	10,599,134	10,289,040
Employer's National Insurance	937,950	902,067
Pension costs	623,568	632,316
Apprenticeship Levy	37,778	36,415
Agency staff	94,801	50,244
Recruitment and training expenses	114,162	90,877
Subsidiary companies staff costs	33,669	42,384
	12,441,062	12,043,343

	Group			
	2022		2021	
	Headcount	FTE	Headcount	FTE
<b>Average number of employees</b>				
In-patient unit	62	48	60	49
Hospice at home	63	46	62	47
Community engagement and support	10	8	12	10
Consultants and doctors	9	6	10	7
Clinical administration	16	11	15	11
Therapies	3	1	5	2
Housekeeping	20	15	18	14
Other support services	31	23	26	21
Education	11	8	10	7
Marketing and communication	8	6	9	6
Fundraising	15	13	14	12
Digital and technology	6	5	7	6
Retail	153	109	171	118
Executive and finance	9	7	9	7
	416	306	428	317

	Group	
	2022	2021
The number of employees whose earnings (excluding employer's pension contributions) fell into the bands below were:	<b>No.</b>	<b>No.</b>
£60,000 to £69,999	4	2
£70,000 to £79,999	3	1
£80,000 to £89,999	3	4
£90,000 to £99,999	*1	-
£100,000 to £109,999	1	*1
£130,000 to £139,999	-	1

\*The pay of the Chief Executive falls within this band.

Included in the number above are medical consultants, doctors and other senior clinical staff directly employed by the Hospice who are paid at a rate equivalent to the relevant NHS scale.

The key management personnel of the Hospice are the Trustees and the Senior Leadership Team ("SLT"). The SLT comprises the Chief Executive, Medical Director, Director of Patient Care and Strategic Development, Director of Digital, Communication, Marketing and Performance, Director of Income Generation, Director of Finance and Operations, Director of People Services and Organisational Development. They are subject to the same terms and conditions as other members of staff and do not receive any additional employee benefits. They are only reimbursed for expenses wholly and necessarily incurred for business purposes in accordance with Hospice policy. The total employee benefit (salary and employer's pension contribution) received by the SLT was £629,355 (2021: £630,382)

The Trustees are the directors for the purposes of the Companies Act 2006 and, as required by the Articles of Association, are the members of Princess Alice Hospice, a Company limited by Guarantee. They receive no remuneration. During the year to 31 March 2022 they were reimbursed for expenses of £292 (2021: nil).

An aggregate payment of £37,658 (2021: £55,751) was made to 6 ex-employees (2021: 4) under a settlement agreement. An aggregate payment of £7,849 (2021: £9,498) was made to 6 (2021: 3) employees on redundancy in respect of statutory redundancy pay.

## 16. Related Party Transactions

During the year ended 31 March 2022, the aggregate amount of donations received from Trustees and their close family members, the SLT and their spouse/partner was £7,981 (2021: £4,126).

The Trustees volunteer their time to fulfil their governance and leadership role. They provide support and advice to the SLT, which took the form of increased communication during the rapid fluctuations of the pandemic when staff and patient safety was paramount. They have continued to attend internal and external meetings, Hospice events and external events, in person where possible but otherwise virtually during the year. The Trustees estimate that during the year they donated over 2,000 hours of time in aggregate.

Gail Cookson, Trustee, is an International Director of WPNC a company providing direct marketing services. During the reporting period WPNC did not provide any services to the Hospice (2021: £28,430). There was no balance outstanding at 31 March 2022 (2021: £Nil).

During the year to 31 March 2022 the Hospice invoiced PAH Trading Limited for £7,876 (2021: £2,431) for the use of retail shop facilities to sell goods on behalf of supporters (Agency Sales) and £3,995 (2021: £2,161) for the preparation of sandwiches to sell in the coffee shop.

## 17. Analysis of net assets between funds (Group)

	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total 2022	Total 2021
	£	£	£	£	£	£
Fixed assets	-	5,892,058	-	-	5,892,058	6,312,932
Investments	-	2,298,670	-	905,041	3,203,711	3,007,844
Current assets	2,918,860	10,572,367	79,864	-	13,571,091	11,375,780
Current liabilities	(1,389,515)	-	-	-	(1,389,515)	(900,813)
Annuity provision	(99,000)	-	-	-	(99,000)	(99,000)
	1,430,345	18,763,095	79,864	905,041	21,178,345	19,696,743

## 18. Other financial commitments

	Retail Shops		Equipment	
	2022	2021	2022	2021
	£	£	£	£
At 31 March 2022 the Group was committed to making the following payments under non-cancellable operating leases:				
<b>Operating leases which expire:</b>				
Within 1 year	1,070,088	1,369,671	1,990	30,623
Within 2 to 5 years	2,231,398	2,700,167	22,924	-
After 5 years	829,950	1,042,935	-	-
	4,131,436	5,112,773	24,914	30,623

## 19. Simplified income and expenditure statement

	Notes	Group			Group		
		2022	2022		2021	2021	
Income		£	£		£	£	
NHS grants	1.4		2,106,148	19%		2,095,908	16%
Voluntary income							
Legacies	1.4		3,840,693	34%		2,943,798	23%
Donations	1.4	2,311,295			2,563,840		
Cost of generating voluntary income	4	(966,700)			(930,301)		
			1,344,595	12%		1,633,539	12%
Fundraising events	1.4	449,611			397,182		
Cost of fundraising events	4	(139,326)			(131,327)		
			310,285	3%		265,855	2%
Trading subsidiaries	3	665,358			595,067		
Cost of trading subsidiaries	3	(281,639)			(246,129)		
			383,719	3%		348,938	3%
Retail							
Retail income	2	6,042,851			1,544,272		
Coronavirus Retail Grants		200,963			531,940		
Coronavirus Job Retention Scheme		34,299			1,197,431		
Income attributable to retail		6,278,113			3,273,643		
Cost of retail	4	(5,707,477)			(4,698,979)		
Retail contribution			570,636	5%		(1,425,336)	-11%
NHS England Covid-19 funding	1.4		2,049,130	18%		6,276,936	48%
Investment income	1.4		52,731	0.6%		51,933	0.4%
NHS service funding	1.4		322,963	3%		278,519	2%
NHS local Covid response funding	1.4		-			289,529	2%
NHS continuing healthcare funding	1.4		55,183	0.5%		62,190	0.5%
Education	1.4		240,286	2%		132,902	1%
Coronavirus Job Retention Scheme (ex. retail)	1.4		16,768	0.1%		104,972	1%
Other	1.4		59,054	0.5%		10,942	0.1%
<b>Net income</b>			<b>11,352,191</b>	<b>100%</b>		<b>13,070,625</b>	<b>100%</b>
<b>Expenditure</b>							
<b>Charitable activities</b>							
In-patient care	4	(4,761,107)		47%	(5,011,016)		50%
Princess Alice at home	4	(3,828,143)		38%	(3,698,611)		37%
Community engagement and support	4	(645,041)		7%	(569,383)		5%
Education	4	(801,056)		8%	(776,909)		8%
			(10,035,347)			(10,055,919)	
<b>Total expenditure on charitable activities</b>			<b>(10,035,347)</b>	<b>100%</b>		<b>(10,055,919)</b>	<b>100%</b>
<b>Operating surplus</b>			<b>1,316,844</b>			<b>3,014,706</b>	

# WHO'S WHO

## Trustees

### **Professor Sean Hilton**

**Chair** (from September 2021)

Sean is Emeritus Professor at St George's, University of London. He was a GP partner for 30 years in Kingston upon Thames.

### **Jeannine Nolan**

**Vice-Chair** (from September 2021)

Jeannine has over 30 years' experience in the healthcare communications sector, working with leading pharmaceutical companies and global agencies.

### **Despina Don-Wauchope**

**Honorary Treasurer**

Despina is a Chartered Management Accountant and has more than 30 years' experience working for a number of FTSE100 companies.

### **Deborah Bowman MBE**

Deborah is an Emeritus Professor of Medical Ethics and Law and a Clinical Ethicist who has combined a successful academic career with effective and values-based senior leadership in Higher Education.

### **Gail Cookson**

With over 30 years' experience in fundraising, Gail has been a director of WPNC for 18 years.

### **Monica Harding**

Monica has worked as a CEO, Director and consultant in the UK and internationally across government, charity and business sectors.

### **Tim Hewens**

Tim is a solicitor and a partner at Osborne Clarke LLP where he specialises in M&A and Private Equity. He was previously a trustee of Walton Charity and of the RG Foundation.

### **Andrew Jennings**

Andrew is retired following a career as a Chartered Accountant in the City where he spent over 30 years in International Law management.

### **Heather Patel**

Heather is a recently retired GP with 35 years' experience. Her practice was in Claygate where she worked closely with the Princess Alice Hospice on behalf of her patients.

### **Karen Roberts**

Karen has over 30 years' experience of managing Human Resources in global companies, specialising in talent management and workforce planning.

### **Christopher Roshier** (to September 2021)

Christopher is a retired chartered accountant with 20 years' experience working in the City as a merchant/investment banker.

### **Fiona Ross CBE** (to September 2021)

Fiona is Emeritus Professor and former Dean at Kingston University and St George's, University of London; she is also a Governor of Westminster University.

**Jamie Tolentino-Deludet**

Jamie has extensive experience in digital marketing and innovation. She helps the traditional industry of financial services become digitally enabled.

**Sean Watson**

Sean is a Solicitor and formerly a Corporate Finance partner in International Law Firm CMS Cameron McKenna and a Non-Executive Director of 2 Listed FTSE companies. He is a founding Trustee of Dovedale Foundation, a family charitable foundation.

**Darren Webb**

Darren has nearly 20 years' experience in Financial Markets working for a number of international businesses. He currently works for the Bank of Montreal in London.

**Dr Peter West**

Peter is a health economist with over 40 years' experience working for consulting groups, universities and government agencies across the world.

**Honorary President****Jane Formby MBE**

Jane has been involved with the Hospice for over 30 years, first as a volunteer then as a founding Trustee. Jane stepped down as a Trustee in 2018 and took up the role of Honorary President.

**Committee Advisory Members**

**Rob Aldous**, Director of Kingston Hospital Charity – Income Generation Committee

**Duncan Burton**, Deputy Chief Nursing Officer for England - Clinical Strategy and Governance Committee

**Jon Cunliffe**, Chief Investment Officer, Charles Stanley – Audit and Risk Committee

**Karen Frend**, Deputy Head of Central Governance at the Cabinet Office – Audit and Risk Committee

**Ros Irving**, Member of Group Management Board, Euromoney Institutional Investor PLC – People and Communities Committee

**Esther Kitto**, Director of Clinical Operations (clinical drug development) – People and Communities Committee

**Louise Mitchell**, Regional Brand Manager COS – Income Generation Committee

**Tim Moody**, Head of Property, British Heart Foundation – Income Generation Committee

**Maxine Obeng**, Assistant Director East London NHS Foundation Trust and founder of Niche Careers Consultancy – People and Communities Committee

**Monday Ugiagbe**, Senior Lecturer in Nursing, Middlesex University – Clinical Strategy and Governance Committee

**Representatives of the Friends of Princess Alice Hospice**

**Veronica Eagles** – People and Communities Committee

**Mary Houghton** – People and Communities Committee

## **Senior Leadership Team**

Nicki Shaw  
Chief Executive

Karen Garforth  
Director of People Services and Organisational Development

Angela Grimes  
Director of Income Generation

Lesley Munro  
Director of Patient Care, Community Engagement and Support (from May 2021)

Diane Rickwood  
Director of Finance and Operations and Company Secretary

Nigel Seymour  
Deputy Chief Executive, Director of Digital, Marketing, Communications and Performance

Lesley Spencer  
Director of Patient Care and Strategic Development (to May 2021)

Jennifer Todd  
Medical Director

## **Advisors**

**Cazenove Capital Management**, 1 London Wall Place, London EC2Y 5AU

**Mazars LLP**, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

**Barclays Corporate**, Ground Floor, Tagus House, Ocean Way, Southampton, SO14 3TJ

# Special thanks to .....

## Trusts

The Albert Hunt Trust  
The Ann Jane Green Trust  
The Anonymous Donor Trust  
The Basil Samuel Charitable Trust  
BBC Children in Need  
The Bookhams, Fetcham & Effingham Nursing Association  
The Brock Webb Trust  
The Catherine Lewis Foundation  
Charles Hayward Foundation  
Community Foundation for Surrey  
D'Oyly Carte Charitable Trust  
The Dandy Charitable Trust  
Dentons UKMEA LLP Charitable Trust  
The Diana Edgson Wright Charitable Trust  
Diocese of Arundel and Brighton  
Edwin George Robinson Charitable Trust  
The Elizabeth Frankland Moore & Star Foundation  
Emily Huffer Settlement  
The Erica Leonard Trust  
F G Roberts Charitable Trust  
Family Rich Charities Trust  
Farrer-Brown Charitable Trust  
Garfield Weston Foundation  
The Gerald Bentall Charitable Trust  
The Girdlers Company  
Grace Trust  
Hampton Fund  
Hargrave Foundation for A Brighter Future  
Holloway Charitable Trust  
The Hospital Saturday Fund Charitable Trust  
The Ingram Trust  
Inlight Trust  
Institute of Our Lady of Mercy  
The James Wise Charitable Trust  
The Joseph Strong Frazer Trust  
Kingston Nursing Association  
London Aged Christian Society  
Loseley & Guildway Charitable Trust  
The Margaret and David Walker Trust  
Mark Masons' Hall  
Masonic Charitable Foundation  
The Michael & Anna Wix Charitable Trust  
The National Lottery Community Fund  
Quartet Community Foundation

Ratcliffe Charitable Trust  
Rest-Harrow Trust  
Richmond Parish Lands Charity  
The Rowan Bentall Charitable Trust  
The Rozel Trust  
The Shirley & Ian Watson Charitable Trust  
The Souter Charitable Trust  
SSP Foundation  
Surrey Provincial Charity Fund  
The Three `T' Charity  
The Vernon N Ely Charitable Trust  
Wimbledon Foundation

## **Masons**

Addlestone Lodge 5222  
Clerkenwell Lodge of Installed  
Crescent Lodge No. 788  
Elmbridge Lodge L5838  
Hampton Lodge No 6435  
Lodge Light From The East  
Lovekyn Chantry Lodge No 6807  
Molesey Lodge Chapter 2473  
OSM Masonic Group of Surrey  
RAOB New Venture  
St Georges Esher Lodge  
Surbiton Lodge No 2146  
Surrey Provincial Grand Stewards' Chapter No. 8297

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TAR | SEPTEMBER 2022



**PRINCESS ALICE HOSPICE**

England & Wales - Charity number 1010930

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# Accounts

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# **PRINCESS ALICE HOSPICE 2021 TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2021**

**For Excellence. For Compassion. For People. For Living  
Trustees' Annual Report 2020-21**

## **Princess Alice Hospice makes a difference**

It costs us £10.1 million each year to provide free, high-quality care.

Funding provided by CCGs represents circa 24% of our expenditure on charitable activities. In more normal times the balance is raised through legacies, fundraising, dedicated shop units, investments and the generous support of our communities. It is only the support of our community and beyond, that makes it possible to do our work.

In the year under report the Hospice has also received additional support through NHS emergency capacity funding grants via Hospice UK, Government grants to support non-essential retail and the Coronavirus Job Retention Scheme (CJRS). It is only as a result of this support that we were able to maintain our services and help to alleviate the pressure on our NHS colleagues throughout the pandemic.

We have been rated by the Care Quality Commission as providing outstanding palliative and end of life care in the community and within our Hospice. Our teams of employees, volunteers and supporters are positive, passionate and professional.

No one can prevent death, but we do everything we can to make dying as good as possible for patients, their families and friends. We believe that hospice care is for living.

### **Our Vision**

Our communities will have the best care and support before, during and after death.

### **Our Mission**

To reach out to more people by delivering outstanding care, nurturing compassionate communities, sharing our knowledge and expertise, and influencing the debate around death and dying.

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## Chair and CEO report

The pandemic has dominated the year and had a profound physical, emotional and social effect on all aspects of our lives. As the enormity of the situation became clear in this, the fourth year of our five-year strategy, we refocused priorities: the safety and wellbeing of our patients, their families, our staff and volunteers remained at the forefront of our work, with a raft of new measures required to achieve that, while we looked to safeguard our challenged financial resources to ensure ongoing viability. We are indebted to the courage and expertise of the whole organisation. Early on, our staff adapted and changed direction at speed to stay abreast of daily policy changes and relieve the burden on the NHS. We extended our digital capabilities to allow our community team to provide clinical advice and consultations online, when appropriate. A significant proportion of staff began working from home and we worked hard to support and engage them through the uncertainties.

All our care is delivered without charge, with 76% usually funded through charitable donations and income generating activities. In the last year we faced acute financial risks: successive lockdowns and restrictions forced us to close and re-open our retail shops, furlough many staff, ask most volunteers to step down temporarily, and cancel planned fundraising challenges and events, apart from what could be reinvented online. Along with grants for our retail operation, which were awarded to non-essential businesses, we were extremely grateful to receive government emergency funding allocated to preserve capacity in the system for the NHS. Our extraordinarily loyal supporters responded generously to our online campaign #compassionatecarecontinues driven by staff demonstrating how they have been able to provide support to patients, families, communities and the wider health and social care system at a time of critical need.

The impact of the pandemic while extremely damaging in so many ways, has also inspired creativity and innovation. Recognising how isolated people were in danger of becoming, we recruited and trained an additional 130 Compassionate Neighbour volunteers from diverse backgrounds to provide telephone support, medication collection and shopping support during the successive pandemic surges and associated lock-downs. Many of our other, more established services, such as bereavement support and carers' support, continued by telephone and on Zoom, while Death Cafés, Bereavement Cafés and children's bereavement group, Dovetail, took place online.

At the request of NHS partners, our Education team created and delivered online training programmes to groups of care homes, GP partnerships, paramedics and community nurses, on topics from infection control to difficult conversations around the end of life. We are also delighted at how well our online Wellbeing services have been attended and received by patients and families. Many of the changes that were made of necessity have been received positively and the learning we have gained will be applied to new projects and initiatives in the coming year.

In 2020 we welcomed four new Trustees who are experts in their fields and generous with their time, knowledge and networks - they will help to strengthen our Board as we face the future. Diversity and inclusion is a priority for the Board. As we develop a strategic approach to improving our position, we are fortunate to have access to the ideas, advice and lived experience of a new cohort of Committee Advisors. We are determined to do better and improve the inclusivity and reach of services we deliver to ensure fairness and equity across the organisation.

This is my last year as Chair of Trustees after ten years of service. It has been a privilege and honour to lead Princess Alice as it builds its centre of excellence, influence and reach. I am delighted to be handing over to Professor Sean Hilton who has a background in general practice, is an experienced Trustee and is currently acting as Vice-Chair. He will take up the position of Chair in September. I am confident Princess Alice will be in great hands as we reframe, refocus and rebuild priorities in a post-pandemic climate.

Chair

Chief Executive

# How we improved our care and support in 2020/21

## **GOAL 1 We will be recognised for the outstanding care we provide**

*We will use our specialist expertise to develop wide-ranging approaches to palliative and end of life care and support to help more people live life to the full, and when the time comes, to have a good death.*

The COVID-19 pandemic meant that some of our aspirations for improving the care and support we provide were accelerated, others had to be delivered differently. Despite the challenges, what remained constant was the shared desire to put patients and their families at the centre of the decisions made in the face of almost overwhelming uncertainty, complexity and change.

Through the course of the year under report we have:

- Transitioned from a bespoke clinical database (Crosscare) to EMIS-Health- an electronic health management information system that is widely used by other health care providers within our local health economy. As a result, the referral process is simpler, services are better co-ordinated and patients experience improved care as all healthcare professionals looking after them have access to real time information.
- Launched a Single Point of Response (SPR) with a dedicated '0300' number providing a 'one stop shop' and direct access to the right person at the right time.
- Maintained face to face consultations throughout the pandemic but have also utilised technology to virtually connect with patients and families. Of particular note is the shift, almost overnight, of the Wellbeing programme from being a physical in-hospice service delivered in the Wellbeing Centre, to being delivered entirely by Zoom to people accessing from the safety of their homes. During the year under report 197 patients and carers accessed the service 3,593 times and colleagues had delivered 441 sessions.
- Implemented the changing COVID-19 regulations and guidelines for delivering safe care in the emerging situation to ensure that patients, their families and our staff were protected to the best of our ability.
- Encouraged and empowered teams to be innovative and creative in tackling the challenges that COVID-19 had created to delivering care in the way that we want to. Teams rose to the challenge with skill, compassion and empathy.

## **GOAL 2 We will nurture compassionate communities**

*We will continue to grow and nurture our Compassionate Communities and equip more people with the knowledge, skills and confidence to support each other through death, dying, grief and loss.*

The pandemic regulations and social distancing guidelines meant that a number of activities under this programme had to be paused, including many of the volunteer roles carried out by 1200 people. However, it also encouraged new people to reach out to us with offers of help, many of whom went on to become Compassionate Neighbours and were matched with people in the community who needed support.

During the year we have:

- Recruited and trained 130 new Compassionate Neighbours, developing guidelines so that they could safely support community members from a distance.
- Developed our ability to provide support digitally and online by
  - Delivering eight virtual Death Cafés
  - Running the Dovetail group – a family and young people's support group – online and increasing the frequency from monthly to fortnightly to meet demand
  - Introducing a monthly online bereavement service that is also recorded so families and loved ones can access it at a time convenient to them

- Offering online and telephone bereavement support
- Delivering carers training courses over Zoom.
- Launched “Family Talk”, a joint family legacy initiative with Hospice Biographers allowing grandchildren the opportunity to record conversations with their grandparents.
- Developed a Planning Ahead webinar to support people and families to start those “difficult” conversations about what is important to them if they become unwell, and what choices they would like to make.
- Ensured our volunteers, many of who themselves are vulnerable and at risk of isolation, continued to feel supported and part of the hospice by communicating regularly and updating them on plans for reintroducing their roles.

### GOAL 3

#### **We will share our knowledge and expertise and influence the debate around death and dying**

*We will raise awareness of high-quality end of life care by sharing our skills, knowledge, research and opinions.*

In “normal” times our education and training courses are delivered via a blend of face to face and online teaching. The COVID-19 restrictions meant that programmes had to be adapted to be delivered entirely online. This coincided with an increase in demand from our health and care colleagues in the community who needed urgent training and support to equip them to respond to the new challenges they were facing such as much higher levels of death and dying – particularly in nursing and care homes. Fortunately, we were already a Project ECHO training hub which enabled us to respond.

The team:

- Used Zoom throughout the year to deliver training to GPs, district nurses and care and nursing homes.
- Created new programmes for new groups of learners including a programme for SECAMbs (our local ambulance service).
- Adapted the delivery of programmes to cater for groups from three to 125 people, ensuring that learners had a high-quality experience.
- Provided clinical supervision for NHS colleagues who were unused to dealing with so much death and dying in their normal working environment.
- Conducted two evaluations on the effectiveness of videoconference consultations with patients and families.

## Objectives for 2021/22

As we are focused on developing a new strategy in the first half of the year, our plans for 2021/22 do not represent a radical departure from current activity. Rather they seek to build on activities that we know will continue to be strategically important, these include:

- Continuing our digital journey both across the organisation as a whole and in relation to particular services or activities
- Continuing to support our workforce in the aftermath of COVID-19 in particular in relation to their wellbeing and their leadership capacity
- Building on the innovations that have taken place during COVID-19 across all areas and embedding them where appropriate
- Continuing to invest in external relationships – mindful of the move towards greater integration in health systems, but also in terms of being open to collaboration with others

such as academic institutions, neighbouring hospices and the voluntary sector more generally

- Increasing our focus on diversity and inclusion across both our workforce and in the care and support we provide.
- Focusing on the areas of income generation where we predict higher growth potential.
- Finalising our approach to our retail business for the next one to three years.
- Carrying out the refresh to the In-Patient Unit (IPU) so that it remains fit for purpose for the immediate future.

**In 2021/22 our goals are:**

### **GOAL 1 We will be recognised for the outstanding care we provide**

*We will use our specialist expertise to develop wide-ranging approaches to end of life care and support to help more people live life to the full, and when the time comes, to have a good death.*

This year we will:

- Develop a strategic response to diversity and inclusion across our care and support services ahead of the launch of the new strategy in 2022.
- Embed virtual consultations into our core service.
- Work more closely with frailty consultants to support advance care planning and discharge from acute trusts.
- Use technology to enhance user involvement and feedback.
- Establish a referral pathway from GPs and Social Prescribers into the Wellbeing service.
- Refresh the IPU to make sure that it is still fit for purpose.

### **GOAL 2 We will nurture compassionate communities**

*We will continue to grow and nurture our compassionate communities and equip more people with the knowledge, skills and confidence to support each other through death, dying, grief and loss.*

This year we will:

- Expand the Compassionate Neighbour programme, targeting particular geographical areas and communities that are under-represented for recruitment.
- Deliver Planning Ahead Awareness sessions to raise the importance of thinking about what would be important to you if you became seriously unwell or faced the end of your life.
- Grow community bereavement support initiatives by working with new partners.
- Develop digital bereavement resources to support the wider community in the aftermath of the pandemic.
- Introduce new Hospice-based volunteer roles when it is safe to do so and develop volunteering opportunities for young people.

### **GOAL 3 We will share our knowledge and expertise and influence the debate around death and dying**

*We will raise awareness of high-quality end of life care by sharing our skills, knowledge, research and opinions.*

This year we will:

- Develop an Advanced Communications Skills programme utilising videoconferencing and e-learning.
- Increase the number of hospices delivering the European Certificate in Essential Palliative Care (ECEPC), now in its 20<sup>th</sup> year.

## Strategic Report

- Seek new learning and development partnerships with Learning Disability services.
- Further develop our relationships with our local universities to ensure that End of Life Care (EoLC) is embedded in the pre-qualification curriculum.
- Seek opportunities to disseminate our education and research activity at conferences and through publication.
- Work with clinical teams to encourage and support research projects conducted in-house.

# Structure, governance and management

Princess Alice Hospice was incorporated as a company limited by guarantee on 25 November 1981 and is governed by its Articles of Association. We are registered with the Charity Commission in England and Wales. Our registered office is at West End Lane, Esher, Surrey KT10 8NA.

## Objectives

The Hospice is an independent charity working across a large part of Surrey, south west London and Middlesex. We provide free high-quality, compassionate care and support at the end of life for patients, families, carers and close friends at every stage, up to, and after death.

Through education and research, we aim to improve palliative care knowledge and to change practice in the wider health and social care economy. Founded by our local community, fundraising and community support are crucial to our continuing work as a charity.

## How we are governed

### Trustees

Our Board of Trustees is responsible for overseeing the Hospice's strategy and performance. It is chaired by Professor Fiona Ross CBE and one of the Trustees serves as Vice-Chair. Sean Watson held this role from September 2018 to November 2020 when it was taken on by Professor Sean Hilton as Chair designate. Professor Hilton will be formally appointed Chair when Professor Fiona Ross completes her ten-year tenure as a Trustee and steps down at the AGM in September 2021.

The Trustees are the directors of Princess Alice Hospice for the purposes of the Companies Act 2006. They are not paid. There is a short biography of the Trustees on page 41.

The Board meets regularly throughout the year to consider, set and review strategies, policies, budgets, plans and performance. An annual "away day" is held for in-depth strategic discussions and decision-making. Members of the Senior Leadership Team (SLT) attend Board meetings to report back on performance and progress against strategic objectives. In depth "spotlight" sessions and business reviews are delivered by members of the management team, a practitioner working in front line services or a family member representing "patient voice". This allows the Board to gain a deeper understanding of the organisation.

### Response to COVID-19

In the early days of the pandemic and first lockdown, the Board ensured good governance and oversight by working flexibly. Board and Committee meetings were rapidly moved online, weekly updates on the cash position were disseminated to Trustees and individual Chairs had regular one to ones with managers. For example, the Chair of Clinical Strategy and Governance held regular meetings with the Director of Patient Care and Strategic Development followed up with email updates to the Board. The intention was to ensure collective decision making while prioritising support and oversight of clinical governance at a time of constant change when safety was paramount. In addition the whole Board held informal and reflective meetings with SLT to share and learn.

As the pandemic affected the entire fabric of society but was an acute and serious challenge to palliative care providers, it was important for the Board to have communication networks across the sector to share intelligence and good practice. This was achieved through the network of hospice Chairs and Trustees co-ordinated by Hospice UK and through Fiona Ross' role as Chair of London Hospices.

## Board Committees

The Board delegates powers and responsibilities to committees, more details of which are given below. The Board believes that this enables more detailed discussion and understanding of key areas of the organisation. Each committee has terms of reference defining membership, responsibilities and delegated authority. These are reviewed annually by the Committee and approved by the Board. An annual committee review process was introduced in 2021 to give the Board assurance that the Committees are working effectively. Minutes of committee meetings are on the agenda for the following Board meeting and Committee Chairs report back to the Board on the major issues discussed and decisions taken.

The **Clinical Strategy and Governance Committee**, chaired by Dr Heather Patel, is responsible for overseeing clinical strategy, education and research. It provides assurance on the development, implementation, safety and effectiveness of the clinical services delivered by the Hospice. It monitors clinical activity, performance and risks against the annual business plan, raising issues to the Board where appropriate. It also oversees relationships with our health and social care partners regarding grants, contracts and service level agreements. The Committee monitors health and education policy and regulation and keeps the Board informed as appropriate. During the early months of the pandemic the Committee received regular email updates to ensure collective oversight in a fast-moving and unpredictable situation.

The **Finance and General Purposes Committee**, chaired by Despina Don-Wauchope, oversees the finances of the Hospice. It is responsible for reviewing and recommending to the Board the annual budget and financial strategy and monitoring performance against budget during the year. It oversees the investment of the Hospice's funds, recommending on the appointment of an investment manager and reviewing their performance annually. In addition, the Committee is responsible for overseeing capital expenditure and infrastructure projects.

The **Income Generation Committee**, chaired by Jeannine Nolan, is responsible for the identification, development, implementation and effectiveness of all income generation activities (except for NHS grants) including the Hospice's retail portfolio. It ensures compliance with all regulatory requirements impacting the Hospice's income generation activities.

The **People and Communities Committee**, chaired by Karen Roberts, oversees the development, implementation and effectiveness of the Talent and People Strategy, diversity and inclusion, community engagement and communication and marketing programmes. It oversees and reviews HR governance, the volunteer strategy and from time to time undertakes workforce reviews, ensuring the Hospice has the skills and expertise it needs to deliver its strategy.

The **Remuneration and Nominations Committee**, chaired by Professor Fiona Ross, has a membership of the Committee Chairs, the Vice-Chair of the Board and the CEO. It meets at least annually to consider succession planning for the leadership team, to recommend changes to the remuneration of the Chief Executive and SLT, to receive reports from the Chair on trustee skills and succession and oversee arrangements for a search committee for senior management and Trustee recruitment.

The **Audit and Risk Committee**, chaired by Professor Sean Hilton, oversees risk management and governance processes, external audit and internal risk and quality reviews. It reviews the management of systems for internal control and advises the Board on exposure, mitigation and lessons for continuous improvement. It manages the relationship with the external auditors, reviews feedback on their performance and value for money and advises on reappointment as appropriate.

## **Trustee and committee advisory member recruitment**

The Board believes it is vital to get a mix of Trustees with healthcare, legal, financial, investment, fundraising, commercial, digital and retail skills, as well as skills and experience drawn from the local community. Trustees are initially appointed for two years and may then be reappointed for up to two more four-year periods (up to a maximum of 10 years). The Board has a good gender balance and is pursuing positive action to increase the representation of people from a variety of ethnic minority backgrounds, skills and experiences.

In addition to Trustees, the Board may invite individuals to become advisory members to Committees. This is typically someone with relevant specialist expertise in the Committee's area of responsibility. These appointments are normally for an initial period of up to two years. During this time, the person may be invited to become a Trustee, or they may continue as a committee advisory member. Their appointment may be renewed by mutual agreement, and the Board may end the appointment at any time. During the year, there were 10 committee advisory members serving on Board committees.

A successful recruitment campaign was carried out in March 2020 despite the restrictions of the pandemic. We recruited four new trustees via advertisements in the national press, through LinkedIn and our website. Jamie Tolentino-Deludet joined the Board in July 2020 having previously been an advisory member to the Income Generation Committee. Jamie has extensive experience in digital marketing and innovation. Professor Deborah Bowman MBE, also joined the Board in July 2020. Professor Bowman is an Emeritus Professor of Medical Ethics and Law at St. George's, University of London. In September we welcomed Monica Harding, who has extensive experience in strategy and business transformation, and excellent local and regional networks; in November Tim Hewens, a Solicitor, joined the Board. We were very pleased with the outcome of our recruitment campaign and the new trustees have added to the skills of the Board and ensured that we will have continuity as some longer-standing trustees reach the end of their tenure in the next few years.

In addition to the new Trustees, we also recruited six new committee advisory members during the year - Karen Friend, Darren Webb, Gavin Ramjaun, Maxine Obeng, Monday Ugiagbe and Esther Kitto. We were delighted to welcome them to the various committees (page 42) bringing us a welcome freshness in perspective, background and experience.

New Trustees and advisory members receive an induction and training specific to their role, as well as attending the Hospice's induction day for all new employees and volunteers. This has been challenging during the pandemic as it has had to be delivered remotely. To support our new cohort of Trustees and advisors we have initiated a series of governance round tables. These provide opportunities to learn more about governance and each other through discussion of values and ethical decision making, governance in other sectors and conflict of interest. In addition, we are supporting observations of Board meetings in other sectors, for example, the NHS, universities and other hospices.

## **Charity Governance Code**

The Board is committed to maintaining the highest standards of governance and has adopted the Charity Governance Code (the Code) as a tool to support continuous improvement:

<https://www.charitygovernancecode.org/en/front-page>

The Code sets out seven principles and provides recommended practice to support charities to develop high standards of governance. Not all of the recommended practice will be appropriate for us to adopt but the Code is designed to be aspirational and to support the development of the charity over time.

The Code was refreshed at the end of 2020 and additions were made, in particular to the recommended practice underpinning principle 6 - equality, diversity and inclusion. This was an area of focus for the Board during the year and improvements were made in the recruitment and induction process for new trustees and committee advisors.

Building on the governance effectiveness review carried out in 2017, a more formal annual review process was put in place for Trustees, advisory members, the Board and committees.

## **Senior Leadership Team**

The Hospice internal management structure is made up of seven directorates, each led by a member of the team.

These directorates are:

**Clinical Services** – responsible for in-patient care, community care, wellbeing services, therapies, social work and education.

**Medical** – responsible for palliative medical care in all settings and covering doctors, including consultants.

**Finance and Operations** – responsible for finance, facilities, front of house, health, safety and environment, housekeeping, catering and business continuity

**People and Organisational Development** – responsible for human resources

**Community Engagement** – responsible for volunteering, community engagement, bereavement care and chaplaincy.

**Income Generation** – responsible for all income generation activities, apart from NHS income

**Digital, Marketing, Communications and Performance** – responsible for ICT, digital, data, marketing, communications and performance.

## **Remuneration Policy**

We recognise that we have a duty to deliver our services effectively and maximise the use of our resources. To do this we need to attract and retain suitably qualified people with the right skills, knowledge and experience and pay them fairly and responsibly.

The market comparator for the majority of our clinical roles is the NHS. We directly employ medical consultants, doctors, nurses and other allied professional healthcare staff and in order to recruit and retain qualified and experienced professionals we pay them at a rate equivalent to the relevant national scale.

For the remainder of our roles, when setting salaries, we take into account the knowledge, skills, experience and effort needed for the job and market forces affecting recruitment, which may be local or national. We also benchmark against available information such as comparable roles being advertised locally and charity salary surveys. We take part in such surveys ourselves and benchmark against a range of our peers.

## **Financial review**

The COVID-19 pandemic has been the most profoundly difficult and disruptive period since the Hospice was founded. The impact on our fundraising operations, the closure of our retail shops during successive lockdowns and cancellation of face-to-face fundraising, at the same time as the demand for our clinical services and innovative capacity was under pressure to do more, inevitably posed challenges for the Board to ensure that the Hospice could both continue to operate in the short-term and remain viable for the future.

Over the period our main income streams can be categorised as NHS England emergency grant funding to protect capacity within the hospice sector, legacies, historical NHS grants, and COVID-19 grants and schemes accessed to mitigate the losses incurred on our trading activities to protect their viability for the future. These are discussed below in more detail:

### **NHS England emergency grant funding**

We received emergency grants from NHS England in 2020/21 which were restricted funding for patient care. The funding was initially made available from April – July 2020 as part of the £750m pledged by the Government to support charities through the pandemic, of which £360m was allocated to central government departments to fund charities in England depending on service need. Hospice UK negotiated with the Department of Health and Social Care to secure up to £200m funding for hospices to protect capacity in the sector and enable hospices to support the wider health economy. In response to the second wave of COVID-19 and winter pressures on the NHS, a further £125m was made available for the period November 2020 – March 2021 to secure and increase NHS capacity. The Trustees recognise that without this funding the Hospice would have faced an extremely difficult period and would undoubtedly have been forced to cut back services at a time of great need. It allowed us to continue operating and to find new and innovative ways to support our local NHS partners both in hospitals and the community who were facing unprecedented demand for services. No further emergency funding will be available in 2021/2022.

### **Legacies**

Last year legacies accounted for 15% of our total income (2020: 25%). We use forecast information produced by Legacy Foresight, a specialist legacy sector analysis company, as a basis for budgeting and business planning. Legacy KPIs such as notifications, open estates and outstanding accruals are monitored and reported monthly. This should enable us to identify whether any fluctuations in legacy income are short-term, or part of a longer-term trend, so that we can adapt our plans accordingly.

Legacy Foresight has reported that the pandemic and administrative delays at the probate service slowed charities' legacy income in 2020, they predict legacy income to be down 11% overall but to increase in 2021 by 18% - 23%. On this basis the trustees believe that the fall in legacy income in 2020/21 is due to these short-term factors but will be monitoring legacy KPIs closely during 2021/22.

### **NHS grants**

NHS grants are block grants based on historical practice and not of our expenditure on charitable activities. These are block grants based on historical practice and not related to the level of clinical activity undertaken. We have a three-year grant funding agreement with Surrey Heartlands CCG and a one-year grant agreement with South West London CCG. The Board has assumed in its strategic plans that there would not be a significant drop in this source of income over the next few years.

### **Impact of the pandemic on fundraising and retail**

The COVID-19 pandemic has had a significant impact on trading activities in 2020/21, and in particular on our retail operations. Retail made a net deficit of £3,154,707 compared with a net contribution of £350,891 in 2019/20.

In normal times the shops provide a vital source of cash for the Hospice, bringing in gross receipts of over £450,000 per month and generating a net contribution. All of the shops were forced to close by lockdown on 21 March 2020 and remained closed until 2 July 2020 when they re-opened on a phased basis. All but a few shops were open by the end of October, some with adapted opening hours to allow for enhanced cleaning and to accommodate a shortage of volunteers due to pandemic-related issues. The second lockdown in November 2020 forced the closure of all non-

essential retail once more, and although the shops were able to re-open at the beginning of December, they closed again on 20 December when all of London and the South East entered Tier 4 restrictions. They remained closed continuously from that date until the year-end due to the third national lockdown imposed from 5 January 2021. During the closure periods a limited amount of trading took place online, Christmas card sales through the Hospice's trading subsidiary were particularly successful.

During store closure periods all shop staff were furloughed and most of their salary costs recovered through the CJRS. A total of £1,197,431 (2020: £51,806) was claimed from the CJRS in respect of retail staff. In addition, we were able to apply for Government grants from local authorities through the various schemes announced during the year to support non-essential retail businesses forced to close by lockdown and the local Tier restrictions. A total of £531,940 (2020: £835,000) was received in coronavirus business support grants.

The impact of the disruption caused by the opening and closing of retail in response to Government regulations cannot be underestimated. This is both at the organisational level and on our retail colleagues who have had to deal with a high level of uncertainty during a period of anxiety for the whole workforce. We would like to acknowledge the unprecedented times they have experienced and thank them for their patience and positivity in support of the Hospice.

The shops re-opened from 12 April 2021 and have been trading well. The longer-term impact on high street sales is still unknown and a conservative budget has been set for retail income in 2021/22.

Work on a strategic plan for the future of our retail portfolio is still in progress. We remain committed to maximising the contribution of our retail footprint in the future, both in terms of profitability and the part the shops play in disseminating our service and support to the local community.

Our fundraising team worked tirelessly during the pandemic to maximise fundraising activity online and our community continued to support us by responding generously to our campaigns and appeals. It is hoped to build back face-to-face fundraising gradually as restrictions are eased but to also retain a blend of virtual events as evidence has shown that we can reach a wider group of supporters in this way.

## **Going concern**

The financial impact of the pandemic in 2020/21 was mitigated by the emergency capacity funding from NHS England, Government support grants for non-essential retail and recovery of furloughed staff costs from the CJRS. The Board and the Finance and General Purposes Committee are monitoring closely the impact of the pandemic on both short and longer-term operations. A range of budget scenarios have been considered and cash flow forecasts prepared in response to scenario planning. The Trustees are satisfied that even under the worst-case scenario considered, there are sufficient funds in current bank and building society accounts, together with investment funds, to continue operating and meet liabilities as they fall due for the foreseeable future.

The Board's view, therefore, is that the Hospice's balance sheet is sufficiently robust to provide resilience and that our reserves should allow the Hospice time to respond with reduction of services and cost savings if income projections indicate a significant reduction over the next three years.

## **Internal Control and Risk Management Processes**

Through the Audit & Risk Committee, the Board oversees the management of systems for internal control designed to prevent, as far as possible, material misstatement or loss. It also undertakes reviews to promote quality improvement and develop learning across the organisation. The

Hospice has a five-year strategy supported by an annual business plan and budget which are approved by the Board. The Finance and General Purposes Committee reviews the annual budget in detail before recommending it to the Board for approval.

## **Reserves**

As noted above, a significant amount of the Hospice's income comes from legacies and NHS income. The Board maintains scrutiny over the external environment and uncertainties related to these sources of income.

We carry out financial planning and produce a three-year projection of income and expenditure, cash and reserves. This is particularly challenging in the current economic conditions but a range of scenarios from pessimistic to optimistic has been considered.

The Trustees have set aside funds in a designated Running Costs Reserve to meet future charitable expenditure in the event of a significant short-term drop in income. This has a target of nine months' (plus or minus three months') budgeted charitable expenditure for the year ahead. During the current uncertain economic climate, and the fact that future pandemic-related restrictions cannot be entirely ruled out, the Board feels that the aim should be to maintain this reserve at the upper end of the target range. The balance on this reserve at the year-end represented 12 months (2020 – nine months) of the Hospice's budgeted charitable expenditure for 2021/22. The strength of this reserve has enabled the Board to approve a deficit budget for 2021/22 on the basis that fundraising and retail income will take 12 – 24 months to recover to their pre-pandemic levels.

The Trustees established a designated fund, the Strategic Development Reserve, to support the delivery of our five-year strategy 2017- 2022. Historically the Board has approved proposals for strategic initiatives to be funded from this reserve as part of the annual budget process. There was no draw-down in 2020/21 (2020: £30,851) as the focus was on maintaining essential services during the pandemic. A transfer of £983,442 has been made into this reserve from unrestricted funds bringing the balance at the year-end to £1,400,000. There have been opportunities during the pandemic to move forward at pace in some areas of strategic focus such as digital and education and this reserve will enable the Hospice to fund further initiatives to build on that progress.

Notes 5 to 7 of the Financial Statements provide more detail on these and other reserves.

## **Investments**

As set out in the Articles, the Trustees may invest the Hospice's reserves in banks and building society deposits, stocks, funds, shares or other securities they feel to be appropriate. The Hospice's investments are managed on a discretionary basis by Cazenove Capital Management, a firm of professional investment managers. As at 31 March 2021, the Investment Portfolio totalled £3,007,844 (2020: £2,536,839). The investment portfolio recovered its pandemic-related losses of 2019/20 and the market value of the Investment Portfolio increased by £437,365 (2020: decreased by £240,820) during the year.

Currently the only ethical restriction imposed by the Board is that there must be no direct investment in any securities issued by tobacco companies. The investment policy was due to be reviewed by the Finance & General Purposes Committee in 2020/21 but this was deferred due to the pandemic and is now planned for 2021/22. The review will take into consideration the growing debate around ethical and responsible investment. The Finance and General Purposes Committee and our investment managers regularly review the performance of the investments in meeting the Hospice's investment policy.

More details about our investments are in Note 11 of the Financial Statements.

## Employees

Our work is only possible because of the dedicated service that our employees provide. Each year we thank them for their hard work, commitment and extraordinary contributions but 2020/21 has truly been an exceptional year. They have enabled us to keep our vital services going through a national public health emergency and to offer vital extended support to our local health economy through new and innovative services (see page 4).

We estimate that during the year around 26% of our workforce have been working from home for most or all of the time in line with Government regulations. We recognised early on in the pandemic the challenges that this can present, including isolation and less than ideal working conditions, and worked hard to support them. We provided the equipment they needed to work effectively, access to the BUPA Healthy Minds service, regular email updates and Zoom sessions delivered by the Chief Executive and the SLT. A further 39% of employees were fully or partly furloughed at some point during the year, both retail shop staff and a small number of Hospice-based staff where demand for their job role declined during the pandemic. We thank everyone who was furloughed for their understanding at this difficult time. Three roles were made redundant due to permanent changes in services as a result of the pandemic.

In 2020/21 the Hospice employed 428 people (2020:443), the equivalent of 317 full-time employees (2020:334).

## Volunteers

Volunteers have been at the heart of the Hospice since before we opened our doors in 1985, so to stand them down almost entirely at the start of lockdown to comply with Government guidance impacted the whole organisation. After we had taken the necessary actions to make the Hospice building COVID-19-secure we were able to take a risk-based approach to reviewing each of our volunteer-delivered services and to bring back volunteers where it was safe to do so. Some services, such as bereavement and carers support, were able to continue throughout as they could be provided in a socially distanced way.

We are immensely grateful to all of our volunteers, whether or not they were able to volunteer during 2020/21, and we know that they too have faced considerable challenges. Our volunteers' team and staff who manage volunteer delivered services have done a tremendous job staying in touch with their volunteers through catch-up calls, monthly newsletters and social media so that they have felt connected to us during this time. Over the next 12 months, we hope to welcome back all of those who wish to continue volunteering and also to recruit new volunteers to replace those who have made the decision to retire. Volunteers provide enormous added benefit to the Hospice and the people we help.

Around 970 volunteers normally support the Hospice itself in a variety of different roles. Some provide care services to our patients and families, as ward support volunteers, compassionate neighbours, bereavement support volunteers or complementary therapists. Others volunteer in the Hospice by manning our reception and coffee shop, supporting with administrative tasks, patient transport and maintaining our grounds. We also welcome volunteers from local companies who donate their time for a day to support us in the Hospice or our shops.

Other volunteers are involved in fundraising, including the Friends' Committees, which organise events in the community and promote the work of the Hospice to raise vital funds. We have around 530 volunteers normally volunteering in our retail operation, supporting the staff to keep the Hospice's shops open six or seven days a week or helping with administration at the retail head office in Molesey.

Volunteers are recruited through advertising. They attend an induction programme and receive initial and ongoing training. Service users such as patients, families and carers, who have

expressed an interest in participating in-service design, work with us on steering groups and in other activities where they can influence areas of service delivery.

## **Environmental impact**

We are committed to reducing our environmental impact and are in the process of developing record-keeping systems and KPIs so that we can report on our environmental performance by 2022.

The Hospice has an Environmental Policy that sets out key principles and commitments:

- We are committed to sustainable development and reducing the impact of our operations on the environment
- We are committed to promoting and achieving environmental responsibility in all our operations and activities
- We are committed to sourcing and using environmentally responsible contractors and suppliers that meet our environmental standards and expectations

We already divert a significant amount of unwanted items from landfill by recycling through our retail shops.

## **Public benefit**

The Trustees give careful consideration to the Charity Commission's guidance on public benefit when setting the Hospice's aims and objectives and planning activities. Access to our services is on the basis of need and open to anyone via referral from a healthcare professional, or, in the case of bereavement support, self-referral. There is no charge to patients or their families for any of our current care services.

## **Statement of Trustee's responsibilities**

The Trustees (who are the Directors of the Hospice for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in line with the law and the regulations that apply. Under company law, the Trustees must prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare such statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). By law, these statements must give a true and fair view of the Hospice's finances and of the income and expenditure for the financial year.

When preparing these financial statements, the Trustees must:

- Choose suitable accounting policies and follow them consistently;
- Keep to the methods and principles in the Charities' Statement of Recommended Practice (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a 'going concern' basis, unless the Hospice is unlikely to continue in business.

The Trustees must keep proper accounting records that disclose the Hospice's financial position to a reasonable level of accuracy at all times and make sure that the financial statements comply with the Companies Act 2006. They are also responsible for protecting the Hospice's assets and taking reasonable steps to prevent and detect fraud and other unusual activity.

The Trustees believe they have taken all the necessary steps to make the auditors aware of any relevant audit information and have given the auditors a written undertaking to that effect. They also believe that they have identified the major risks that the Hospice faces. These have been reviewed, and systems have been put in place to reduce these risks as far as possible.

## **Auditor**

Mazars LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

# Fundraising Regulation

Princess Alice Hospice is registered with the Fundraising Regulator and committed to adhering to the Code of Fundraising Practice. We review compliance through audit and monitoring feedback, and take corrective action where required.

## Standards and monitoring

We are committed to following the highest ethical standards and ensuring a quality supporter experience. We have detailed policies and procedures in place that in many cases go beyond the minimum requirements for the sector, and we regularly monitor ourselves and our agencies through a range of methods (including regular internal audits and call listening). This helps ensure all Hospice fundraisers, and those who work on our behalf are aware of, and adhere to, our high standards. Some of our fundraising activity is conducted on our behalf, by carefully selected professional fundraising agencies. We also work with agencies to telephone existing supporters to talk about their donation and, on some occasions, to ask for a further donation. We work very closely with our agencies to make sure they represent our work and our organisation to the highest standards. None of our fundraisers, whether employed by us or one of our agencies, are paid on a commission basis.

## Complaints

We report our complaints on a calendar year basis to comply with the Fundraising Regulator's requirements. The number of complaints received for the 12 months to 31 March 2021 regarding fundraising was zero.

## Managing communications

Most people who donate to us want to know how their money is making a difference. We ask whether they would like us to keep in touch with them so we can update them on our work and how they've helped us. From time to time, we ask supporters if they would like to support us further – for example, by increasing their donation or by taking part in a particular event. Sometimes, we need to share information with authorised people or organisations so they can deliver services. If this is the case, we only give them the information they need to do so – and we always make sure that they will protect information with security and confidentiality processes equivalent to ours.

We ask supporters how they would prefer us to communicate with them. We give them the option to let us know if they prefer less contact or no longer wish to hear from us, and always respect their wishes. We never share, swap, rent or sell our supporters' details to any other charities or third parties for marketing purposes.

## Our Fundraising Promise

We will commit to high standards.

We will be clear, honest and open.

We will be fair and reasonable.

We will be respectful.

For further details please see our privacy policy at [www.pah.org.uk](http://www.pah.org.uk)

# Principal risks and uncertainties

**The Audit and Risk Committee (A&RC) oversees the Hospice's risk management and governance processes on behalf of the Board.**

A&RC oversee the Board Main Risks summary and strategic registers for each committee. The Main Risk register has six risk areas that impact the Hospice. These act as domains under which the individual committees review specific risks relating to their responsibilities.

This consistent approach helps the A&RC to determine an overall risk rating for the domains informed by the assessment and scoring of the individual committees. A summary status of main risks, and a commentary, is provided for each board meeting by the Chair of A&RC.

The Committee risk registers help us to prioritise risks in terms of the effect they might have and how likely they are to occur. The registers also identify the controls, systems and procedures in place for mitigation. At each committee's meeting their register is reviewed and the A&RC is notified of any significant change in any of the major risk areas. Committees cross representation by Trustees allows a verbal report from each committee to the A&RC by a Trustee member who is also a member of that committee.

There is an annual formal review of the risk domains and committee risk registers by the A&RC and the Board. A&RC collates views and presents a summary to the Board for further discussion.

At the present time we have not seen any significant business impact as a result of leaving the EU in January 2021. Each committee will be considering whether they need to have any specific residual risks relating to their area. Along with every other charity, corporation and organisation, the Hospice has had to adjust its policies and operations to meet the challenges of the COVID-19 pandemic which impact on every main risk area. The Trustees will continue to assess the business impact of the pandemic as lockdown eases as there is no guarantee that restrictions will not be re-imposed in the future.

The longer-term economic impact of both the UK leaving the EU and the pandemic remains, and will remain, a significant concern/risk for the Board and its committees.

## **Our Main Risk areas are:**

**Income** – inability to generate sufficient income to deliver our charitable activities. We have diversified our income streams, monitor our finances closely and have an appropriate level of reserves to withstand short term funding fluctuations. If we identify a longer-term trend of falling income, our reserves will ensure continuity of service provision whilst we seek other sources of funding or implement an appropriate cost reduction programme. From the onset of the COVID-19 pandemic, Trustees have been receiving a weekly update on our cash position.

**People** – inability to recruit and retain the people with the right skills we need across the organisation. We carry out workforce planning and monitor supply and demand carefully, introducing new roles and diversifying skills and competencies to make scarce resource go further. We have a Talent and People Strategy which supports effective recruitment, development and retention. We also carry out employee satisfaction and wellbeing surveys.

**Culture/morale** – inability to align our culture with changes that we need to make and that are being made in the environment within which we work. The Board and SLT recognise that our people are at the heart of all we do and that it is essential that our employees and volunteers understand what is important to us, our patients and families and the communities that we work with. We are open and transparent in our communications, share our business decisions and rationale and take steps to ensure that the organisational strategy is known and understood throughout the organisation. We monitor the effectiveness of these steps by conducting regular employee and volunteer engagement surveys.

**Health and Social Care Environment – the risk that changes in the health and social care environment will impact on our NHS funding and/or our ability to continue to deliver palliative and end of life care and support.** Senior colleagues work in partnership with health and care professionals and organisations across local health economies, demonstrating the impact of the care that we deliver. As new structures emerge, we take every opportunity to ensure that we have effective representation and continue to advocate for the needs of patients facing the end of life.

**Reputation – risk of reputational damage.** As a sector leader, our reputation is of vital importance. We have a comprehensive set of policies and procedures in place to ensure compliance with best practice and legislation. All comments and complaints are promptly responded to and investigated to ensure that lessons are learned for organisational improvement. This is supported by our communications strategy.

**Business continuity – risk of fire, flood or other environmental events that impact on our ability to operate.** We have a comprehensive business continuity plan in place. This includes contingency plans for maintaining services and operations in the event that the Hospice building is out of use. We have an offsite disaster recovery server which can be brought online very quickly to ensure continued access to patient records and other business critical information. Staff receive regular training on dealing with emergency situations, including evacuation of the premises if necessary. Elements of the plan are tested on a regular basis. Our ability to continue to deliver care and support and maintain our operations while complying with the COVID-19 lockdown and still to meet Government advice to have as many colleagues working from home as possible, provided reassurance to the Board.

Approved by the Board of Trustees on 15 July 2021 and  
signed on its behalf by



Professor Fiona Ross CBE

Chair, Board of Trustees, Princess Alice Hospice

# Independent auditor's report to the members of Princess Alice Hospice

## Opinion

We have audited the financial statements of Princess Alice Hospice (the 'charity') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity and the group's affairs as at 31 March 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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 other information comprises the information included in the Strategic Report and Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within 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 and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

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

## **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

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

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

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

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

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

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

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

### **Use of the audit report**

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



Nicola Wakefield  
(Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

# Consolidated statement of financial activities (including income and expenditure account)

For the year ended 31 March 2021

Consolidated	Notes	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
		£	£	£	£	£	£
<b>Income</b>							
<b>Donations and legacies</b>							
Donations	1.4	2,369,906	-	193,934	-	2,563,840	2,025,791
Legacies	1.4	2,943,798	-	-	-	2,943,798	4,498,206
NHS grants	1.4	2,095,908	-	-	-	2,095,908	2,155,956
<b>Other trading activities</b>							
Retail shops	2	1,544,272	-	-	-	1,544,272	5,962,685
Fundraising events	1.4	397,182	-	-	-	397,182	810,812
Trading subsidiaries	3	595,067	-	-	-	595,067	869,730
<b>Investments</b>	1.4	51,842	-	-	91	51,933	81,259
<b>Charitable activities</b>							
NHS England Covid-19 emergency funding	1.4	-	-	6,276,936	-	6,276,936	-
NHS Covid-19 local response funding	1.4	-	-	289,529	-	289,529	-
NHS service funding	1.4	278,519	-	-	-	278,519	328,944
NHS continuing healthcare funding	1.4	62,190	-	-	-	62,190	119,872
Education	1.4	132,902	-	-	-	132,902	161,797
<b>Other income</b>							
Coronavirus Retail Grants	1.4	531,940	-	-	-	531,940	835,000
Coronavirus Job Retention Scheme	1.4	1,302,403	-	-	-	1,302,403	51,806
Other income	1.4	10,942	-	-	-	10,942	30,417
<b>Total income</b>		<b>12,316,871</b>	<b>-</b>	<b>6,760,399</b>	<b>91</b>	<b>19,077,361</b>	<b>17,932,275</b>
<b>Expenditure</b>							
<b>Expenditure on raising donations and legacies</b>	4	930,301	-	-	-	930,301	920,844
<b>Expenditure on other trading activities</b>							
Retail shops	2 & 4	4,698,979	-	-	-	4,698,979	5,611,794
Fundraising events	4	131,327	-	-	-	131,327	187,247
Trading subsidiaries	3 & 4	246,129	-	-	-	246,129	345,875
<b>Total expenditure on raising funds</b>		<b>5,076,435</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,076,435</b>	<b>6,144,916</b>
<b>Expenditure on charitable activities</b>							
In-patient care	4	1,252,205	-	3,758,722	89	5,011,016	5,109,583
Hospice at home	4	779,667	-	2,918,944	-	3,698,611	3,541,826
Community engagement and support	4	476,710	-	92,673	-	569,383	625,049
Education	4	776,907	-	-	2	776,909	836,105
<b>Total expenditure on charitable activities</b>		<b>3,285,489</b>	<b>-</b>	<b>6,770,339</b>	<b>91</b>	<b>10,055,919</b>	<b>10,112,563</b>
<b>Total expenditure</b>	4	<b>9,292,225</b>	<b>-</b>	<b>6,770,339</b>	<b>91</b>	<b>16,062,655</b>	<b>17,178,323</b>
<b>Net income/(expenditure) before gains/losses</b>		<b>3,024,646</b>	<b>-</b>	<b>(9,940)</b>	<b>-</b>	<b>3,014,706</b>	<b>753,952</b>
Net gains/(losses) on investments	11	437,365	-	-	-	437,365	(240,820)
<b>Net income/(expenditure)</b>		<b>3,462,011</b>	<b>-</b>	<b>(9,940)</b>	<b>-</b>	<b>3,452,071</b>	<b>513,132</b>
Transfer to designated funds	5	(3,274,799)	3,274,799	-	-	-	-
Transfer from restricted funds	6	2,243	-	(2,243)	-	-	-
<b>Net movement in funds</b>		<b>189,455</b>	<b>3,274,799</b>	<b>(12,183)</b>	<b>-</b>	<b>3,452,071</b>	<b>513,132</b>
<b>Reconciliation of funds</b>							
<b>Total funds brought forward at 1 April 2020</b>		<b>132,948</b>	<b>15,116,431</b>	<b>90,252</b>	<b>905,041</b>	<b>16,244,672</b>	<b>15,731,540</b>
<b>Total funds carried forward at 31 March 2021</b>		<b>322,403</b>	<b>18,391,230</b>	<b>78,069</b>	<b>905,041</b>	<b>19,696,743</b>	<b>16,244,672</b>

Note 5

Note 6

Note 7

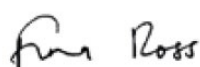
All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The comparative figures for each fund are shown in Note 8. The Notes on pages 26 to 41 form part of these financial statements

## Balance sheets as at 31 March 2021

	Notes	Group		Charity	
		2021	2020	2021	2020
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	9	110,982	82,702	110,982	82,702
Tangible fixed assets	10	6,201,950	6,734,873	6,201,950	6,734,873
Investments	11	3,007,844	2,536,839	3,008,944	2,537,939
<b>Total fixed assets</b>		<b>9,320,776</b>	<b>9,354,414</b>	<b>9,321,876</b>	<b>9,355,514</b>
<b>Current assets</b>					
Stock	12	28,594	33,811	-	-
Debtors	13	4,802,990	5,763,017	5,018,254	5,935,174
Cash at bank		6,544,196	2,334,375	6,253,622	2,094,731
<b>Total current assets</b>		<b>11,375,780</b>	<b>8,131,203</b>	<b>11,271,876</b>	<b>8,029,905</b>
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	(900,813)	(1,141,945)	(798,009)	(1,041,747)
<b>Net current assets</b>		<b>10,474,967</b>	<b>6,989,258</b>	<b>10,473,867</b>	<b>6,988,158</b>
<b>Total assets less current liabilities</b>		<b>19,795,743</b>	<b>16,343,672</b>	<b>19,795,743</b>	<b>16,343,672</b>
<b>Provisions for liabilities</b>					
Annuity provision	1.9	(99,000)	(99,000)	(99,000)	(99,000)
<b>Total net assets</b>		<b>19,696,743</b>	<b>16,244,672</b>	<b>19,696,743</b>	<b>16,244,672</b>
<b>The funds of the charity:</b>					
Endowment funds	7	905,041	905,041	905,041	905,041
Restricted income funds	6	78,069	90,252	78,069	90,252
Designated funds	5	18,391,230	15,116,431	18,391,230	15,116,431
Unrestricted funds		322,403	132,948	322,403	132,948
		<b>19,696,743</b>	<b>16,244,672</b>	<b>19,696,743</b>	<b>16,244,672</b>

Approved by the Board of Trustees on 15 July 2021 and signed on its behalf by:



Professor F M Ross CBE

Chair



D. Don-Wauchope

Honorary Treasurer

## Consolidated cash flow statement for the year ended 31 March 2021

	Notes	2021	2020
		£	£
<b>Net income for the year (as per the statement of financial activities)</b>	<b>b/fwd from page 24</b>	<b>3,452,071</b>	<b>513,132</b>
<b>Adjustments for:</b>			
Depreciation and amortisation	<b>9 &amp; 10</b>	691,141	669,121
Net (gain)/loss on investments	<b>11</b>	(437,365)	240,820
Investment income		(51,933)	(81,259)
Decrease in stock	<b>12</b>	5,217	4,602
Decrease/(increase) in debtors	<b>13</b>	960,027	(242,832)
(Decrease) in creditors	<b>14</b>	(241,132)	(441,825)
<b>Cash flows from operating activities</b>			
<b>Net cash provided by operating activities</b>		<b>4,378,026</b>	<b>661,759</b>
<b>Cash flows from investing activities</b>			
Investment income		51,933	81,259
(Purchase) of fixed assets	<b>9 &amp; 10</b>	(186,498)	(94,460)
Sale of investments	<b>11</b>	1,112,716	681,341
Movement in cash	<b>11</b>	(124,619)	81,389
(Purchase) of investments	<b>11</b>	(1,021,737)	(819,739)
<b>Net cash (used in) investing activities</b>		<b>(168,205)</b>	<b>(70,210)</b>
<b>Increase in cash in the year</b>		<b>4,209,821</b>	<b>591,549</b>
<b>Opening balance at bank</b>		<b>2,334,375</b>	<b>1,742,826</b>
<b>Closing balance at bank</b>		<b>6,544,196</b>	<b>2,334,375</b>

## Notes to the Financial Statements

### FOR THE YEAR ENDED 31 MARCH 2021

#### 1. Accounting Policies

##### 1.1 Basis of preparation

These financial statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - ("Charities SORP" (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006.

The charitable company, Princess Alice Hospice (the "Hospice") 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(s).

The financial position of the Hospice is set out in the Trustees' Annual Report. The COVID-19 pandemic had a significant impact on the Hospice's voluntary and trading income in 2020/21. Retail income saw a significant reduction due to the enforced closure of the Hospice's retail shops for more than half of the year. The impact was partially offset by government support in the form of £531,940 (2020: £835,000) Government support grants for non-essential retail businesses and

recovery of the majority of furloughed shop staff costs through the Coronavirus Job Retention Scheme (CJRS). (See note 1.4 for more details of these grants). The retail shops also benefitted from a business rates holiday in 2020/21.

Face-to-face fundraising events were cancelled but some activity was able to move online. Income from trading subsidiaries was also affected, in particular PAH Trading Limited with the loss of new goods sales and commission on Gift-aided sales during the shop closure periods. Education income was impacted due to the cancellation of all face-to-face training for most of the year.

The Hospice benefited from emergency NHS England capacity funding in the form of grants through Hospice UK. A total of £6,276,936 in funding was receivable under this emergency scheme during 2020/21 of which £1,187,019 remained outstanding at 31 March 2021. (See note 1.4 for further details)

The Hospice claimed, and was reimbursed for, £1,302,403 (2020: £51,806) from the CJRS in respect of employees who were furloughed during the year. The majority of these employees were retail shop staff.

The Hospice is expecting retail and fundraising income to recover slowly during 2021/22 and to reach pre-pandemic levels by 2022/23. Cash flow forecasts have been prepared and a range of future scenarios considered. The Trustees are satisfied that, due to the level of cash and reserves held, even under the worst-case scenario considered there are sufficient funds to continue operating and meet liabilities as they fall due.

The Trustees are of the opinion that the Hospice has sufficient money in current bank and building society accounts together with investment funds to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of accounting in preparing these annual financial statements.

## **1.2 Group financial statements**

The financial statements consolidate the results of the Hospice and its wholly-owned subsidiaries PAH Trading Limited and PAH Lottery Limited (“the group”) on a line-by-line basis. A separate Statement of Financial Activities (“SoFA”) and Income and Expenditure Account for the charity has not been presented because the Hospice has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The income of the Hospice was £18,831,497 (2020: £17,587,317) and the expenditure was £15,816,790 (2020: £16,833,365).

## **1.3 Fund accounting**

Endowment, restricted, designated and unrestricted funds are separately disclosed in the Balance Sheet and in the Consolidated SoFA. These different funds are defined as follows:

- Endowment funds are funds given to the Hospice where it may use only the income generated from investing these funds
- Restricted funds are subject to specific restrictive conditions imposed by the donor or by the nature of an appeal
- Designated funds are set aside at the discretion of the Trustees for specific purposes. They would otherwise form part of unrestricted funds
- Unrestricted funds are available to use at the discretion of the Trustees in furtherance of the charitable objectives of the Hospice.

## 1.4 Income

The total income receivable in the year comprises donations, legacies, NHS income, income from trading activities, interest, fees from education courses run by the Hospice, coronavirus-related government grants and other sundry income.

Legacies are recognised as income when it can reasonably be assumed that the Hospice is entitled to the legacy and the amount can be estimated with sufficient reliability.

NHS England (NHSE) COVID-19 funding is income received under two funding programmes negotiated and administered by Hospice UK during 2020/21. The NHSE awarded funding to allow the Hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose. The funding was restricted for patient care and was fully expended during 2020/21. See page 12 for further details.

NHS grants are the block grants that the Hospice receives from NHS Surrey Heartlands Clinical Commissioning Group, and NHS South West London Clinical Commissioning Group (the "CCGs"). These are based on historic practice and not related to the level of clinical activity undertaken by the Hospice. They are only agreed for up to one year at a time.

Local NHS COVID-19 funding is income received related to the provision of additional services requested by a local CCG or healthcare provider specifically in response to the COVID-19 pandemic.

NHS service funding is income received related to the provision of a clinical service, which is normally linked to specific clinical activities undertaken by the Hospice. This may be funding for a new initiative which has been commissioned by a CCG in its care area, such as rapid response night service or a pilot project. Funding is typically received as a percentage contribution towards the total costs.

NHS continuing healthcare funding is income received for patients who are eligible for a continuing care package. These patients are ready for discharge from the In-Patient Unit but are waiting for a suitable place in a care home or nursing home, or for domiciliary care to be arranged.

Coronavirus Retail Grants are Government grants received via local authorities to support non-essential businesses forced to close due to lockdown restrictions. A variety of different schemes ran during the year during both periods of full national lockdown and local Tier restrictions. The grants are based on 2020/21 rateable value and calculated on the period that the shop was forced to remain closed. The Hospice is eligible for a grant for each of the retail shops which meets the qualifying criteria. The income has been recognised as receivable in the year ended 31 March 2021, under the accruals basis, as it is for the purposes of providing immediate financial support and there are no future related costs.

The Coronavirus Job Retention Scheme (CJRS) was set up by the Government to support businesses with the employment costs of staff who would otherwise have been laid off or made redundant because the business was severely impacted by the COVID-19 crisis. Announced on 20 March 2020, the CJRS initially reimbursed up to 80% of the employment costs of furloughed employees, subject to a cap of £2,500 per month. The amount that could be claimed via the CJRS was subject to change during the year and it has now been extended to September 2021. Income claimed under the CJRS has been recognised as receivable in the year ended 31 March 2021, under the accruals basis, as it is for the purposes of providing immediate financial support and there are no future related costs.

## 1.5 Donated goods and services

Donated vehicles, plant or furniture are recognised as tangible fixed assets and the corresponding gain recognised as income from donations in the SoFA. Donated facilities or services are likewise recognised as income from donations on the basis of the value of the gift to the Hospice and an equivalent amount recognised as an expense under the appropriate heading in the SoFA.

There were no donations of goods or services in the year ended 31 March 2021 (2020: £Nil). Donated goods for resale are recognised as income when sold and included in income from retail shops in the SoFA. It is not practical to estimate the fair value of these goods on receipt because of the volume of low-value items received and the lack of detailed records.

In accordance with the Charities SORP (FRS 102), general volunteer time is not included as income in the accounts as it is not possible to measure this reliably. However, the Hospice relies on the contribution of volunteers and is very grateful for their time. See page 15 for further details.

## 1.6 Expenditure

Direct costs comprise expenditure incurred during the year both directly and indirectly attributable to the activity concerned. Support costs include the cost of governance, housekeeping, catering, facilities and health & safety, people services, marketing and communication, finance and administration and depreciation of fixed assets. These have been allocated to activities on a proportionate basis e.g. by activity level, headcount or on the basis of staff time spent (see Note 4).

## 1.7 Taxation

As a registered charity, the Hospice benefits from business rates relief from local Councils and is exempt from direct tax on its charitable activities. The Hospice is able to claim back VAT on most of its activities, any irrecoverable VAT is included in the cost of those items to which it relates. Income tax recoverable in respect of donations under Gift Aid and investment income is included with the income to which it relates.

## 1.8 Intangible and tangible fixed assets

Fixed assets are stated at cost, net of depreciation. Depreciation is provided at rates calculated to write off the cost in equal instalments over the economic life of the asset at the following annual rates:

• Intangible assets	20%/33%
• Freehold land	0%
• Freehold buildings	4%
• Leasehold buildings	over the life of the lease
• Furniture and equipment	10%
• Medical equipment	20%
• Motor vehicles	25%
• Information and Communication Technology Equipment	20%/33%

Items are treated as fixed assets and their costs capitalised only where the purchase price exceeds £1,000.

Intangible fixed assets are non-monetary fixed assets that do not have physical substance, such as computer software, licences and website development.

The cost of leasehold buildings represents capital expenditure on retail shops and lease acquisition premiums.

## **1.9 Pension costs**

The total employer pension contribution to all schemes for the year ended 31 March 2021 was £632,716 (2020: £634,685). Total contributions of £98,040 (2020: £53,793) were due to be paid after the year end.

### **NHS Pension Scheme**

The Hospice makes payments to the NHS Pension Scheme for former NHS employees who, on employment with the Hospice, are eligible to continue in or re-join the NHS Pension Scheme. The NHS Pension Scheme is an unfunded defined benefit scheme that covers employees of NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State for Health and Social Care in England and Wales, which includes the Hospice. It is not possible to identify the Hospice's share of the underlying assets and liabilities and as a result the NHS Pension Scheme is treated as a defined contribution scheme under FRS102.

The employer contribution payable in the year to the NHS Pension Scheme was £335,766 (2020: £323,179).

### **Group Personal Pension Scheme**

A defined contribution scheme is in operation for eligible employees with contributions payable by both the Hospice and the relevant employees. The assets of these plans are held separately from those of the Hospice, being invested with an insurance company. The current provider of the scheme is Scottish Widows Limited.

The employer contribution payable in the year into the Group Personal Pension Scheme was £203,009 (2020: £213,671).

### **Auto-enrolment**

All employees meeting certain criteria must be enrolled into a workplace pension if they are not already in a qualifying scheme. The Hospice has chosen the National Employment Savings Trust ("NEST") to meet its auto-enrolment obligations. The employer contribution payable in the year into NEST was £77,518 (2020: £80,849).

### **Other pension schemes**

The Hospice contributed to one other pension scheme (2020: one). This scheme is a defined contribution pension scheme.

Prior to 31 December 2011 it was a defined benefit scheme, which is now closed to new members and also to future accrual of benefits to existing members. It is not possible to identify the Hospice's share of the underlying assets and liabilities and as a result the scheme is treated as a defined contribution scheme under FRS102. However, the scheme is in deficit and the Hospice is paying its share of the deficit on an ongoing basis through its employer contributions at a rate set by the scheme and reviewed annually.

The employer contribution payable in the year into the scheme was £8,503 (2020: £9,613).

### **Annuities**

The Hospice is contracted to pay annual sums for life to two former employees based on a sum of £4,499 per annum in 1998 increased by the Hospice annual salary increase (if any). The sum paid in the year under review was £7,520 (2020: £7,373). This liability is met from income in the year in which it is paid. A provision of £99,000 is retained to cover future unfunded liabilities. The Trustees consider this provision to be adequate.

## 1.10 Stock

Stock purchased for sale is valued at the lower of cost and net realisable value. Stock donated for sale in the Hospice's retail shops is valued at nil.

## 1.11 Operating leases

The Hospice has entered into various operating leases, the future financial commitment to which is set out in Note 18. Rentals payable under these leases are charged on a straight-line basis over the term of the lease.

## 1.12 Investments

Listed investments are included in the balance sheet at market value. Realised gains and losses on disposals in the year and unrealised gains and losses on investments at the balance sheet date are included in the Consolidated Statement of Financial Activities. The movement in the valuation of investments during the year is set out in Note 11.

## 2. Retail shops results

		2021	2020
		£	£
Turnover*		1,544,272	5,962,685
Direct costs	(4,495,069)		
Support costs	(203,910)	(4,698,979)	(5,611,794)
Net (deficit)/contribution as per SoFA		(3,154,707)	350,891
"Other income" related to retail operations			
Coronavirus Job Retention Scheme	1,197,431		
Coronavirus retail grants	531,940	1,729,371	886,806
		(1,425,336)	1,237,697

\*Turnover includes £503,015 (2020: £1,992,832) of donations and associated Gift Aid of £125,754 (2020: £498,208) from the retail Gift Aid scheme. This scheme involves PAH Trading Limited selling goods on behalf of supporters ("Agency Sales") in the Hospice's retail shops and the supporters then donating the proceeds of the Agency Sales to the Hospice under Gift Aid.

The results of the retail shops have been significantly impacted by the coronavirus crisis. All shops were closed at the end of trading on Saturday March 21 2020 and although phased re-opening began in July 2020 further periods of closure were experienced during the year due to national and local restrictions. They were closed for the whole of the period from 20 December 2020 until 31 March 2021.

Retail shop staff were furloughed during closure periods and the Hospice was able to recover the majority of their salary costs through the CJRS. A total of £1,197,431 (2020: £51,806) was recovered in respect of retail staff. This is included in the total for the CJRS shown under "other income" in the Statement of Financial Activities (SoFA) (page 24). The Hospice has also been able to access support grants of £531,940 (2020: £835,000) for non-essential businesses forced to close due to the restrictions. Although the grants are directly related to the retail shops as they are based on rateable value, the income is treated as a Government grant and is shown under "other income" in the SoFA.

### 3. Trading subsidiaries

The Hospice has two wholly-owned subsidiaries which are incorporated in the UK for the purposes of generating income for the Hospice's charitable purposes. The whole of their taxable profit is donated to the Hospice under a Deed of Covenant within nine months of the year end. The specific activity of each of the trading subsidiaries is:

PAH Trading Limited (1925762) – sells new and promotional goods, as well as receiving commission on Agency Sales, provides catering services for the benefit of the Hospice and external users and undertakes other sundry trading activities. Operations have been significantly impacted by the coronavirus crisis. There were no agency sales or sales of new goods during the periods of retail shop closures (see note 2 above). Catering services for visitors and other external users were suspended from March 2020 as a result of the first lockdown and remained suspended for the whole of the financial year. A limited amount of catering for staff was maintained. The majority of the turnover and profit relates to sales of Christmas cards.

PAH Lottery Limited (3347939) – operates lotteries. Operations were impacted by the coronavirus crisis as single ticket sales from the retail shops were lost during periods of shops closure (see note 2 above). There was also some loss of regular subscribers over the year.

	PAH	PAH	Total	Total
	Trading Ltd	Lottery Ltd	2021	2020
Profit and loss accounts	£	£	£	£
Turnover	104,687	490,380	595,067	869,730
Income	104,687	490,380	595,067	869,730
Cost of sales	(65,712)	(104,520)	(170,232)	(279,905)
Direct overheads	-	(42,384)	(42,384)	(43,092)
Administrative expenses	(9,612)	(28,493)	(38,105)	(44,951)
Expenses	(75,324)	(175,397)	(250,721)	(367,948)
Net profit	29,363	314,983	344,346	501,782
Amount covenanted to the Hospice	(29,363)	(314,983)	(344,346)	(501,782)
Retained in subsidiary	-	-	-	-
Previous year net profit (all covenanted to the Hospice)	121,712	380,070	501,782	-
<b>Shareholder's funds</b>				
Share capital (issued)	100	1,000	1,100	1,100

#### 4. Total expenditure

	Direct Costs	Support costs (See note 1.6)	Total 2021	Total 2020
	£	£	£	£
In-patient care	3,093,170	1,917,846	5,011,016	5,109,583
Princess Alice at home	2,951,351	747,260	3,698,611	3,541,826
Community engagement and support	422,452	146,931	569,383	625,049
Education	467,631	309,278	776,909	836,105
Raising donations and legacies	489,055	441,246	930,301	920,844
Fundraising events	131,327	-	131,327	187,247
Retail shops	4,495,069	203,910	4,698,979	5,611,794
	12,050,055	3,766,471	15,816,526	16,832,448
Trading subsidiaries	246,129	-	246,129	345,875
	12,296,184	3,766,471	16,062,655	17,178,323
<b>Analysis of support costs:</b>	<b>Basis of apportionment</b>	<b>Group 2021</b>		<b>Group 2020</b>
		£		£
Governance	Time spent	34,465		31,683
Housekeeping	Time spent	526,368		536,061
Catering	Resource allocated	260,011		291,017
Facilities and health & safety	Resource allocated	441,833		408,034
People services and volunteers	Resource allocated	308,094		336,275
Information technology	Time spent	301,663		216,003
Marketing and communication	Resource allocated	318,574		318,079
Digital and data	Time spent	273,629		224,491
Executive, finance and administration	Time spent	699,569		760,814
Amortisation/depreciation (excluding retail)	Resource allocated	602,265		600,471
		3,766,471		3,722,928
		<b>Group 2021</b>		<b>Group 2020</b>
<b>The above figures include:</b>		£		£
Auditor's remuneration - statutory audit		17,220		16,961
- other services		4,350		3,799
Operating lease rentals:				
For charitable activities:				
Equipment		31,350		27,059
For generating funds:				
Leasehold retail shops		1,441,120		1,601,256
Amortisation/depreciation of owned assets		691,141		669,121

## 5. Designated funds

	Group and Hospice			
	Balance	Expenditure	Net Transfers	Balance
	2020			2021
	£	£	£	£
Fixed Asset Equalisation Fund	6,817,575	-	(504,643)	6,312,932
Running Costs Reserve	7,848,000	-	2,796,000	10,644,000
Strategic Development Reserve	416,558	-	983,442	1,400,000
Staff wellbeing fund	34,298	-	-	34,298
	15,116,431	-	3,274,799	18,391,230

The Fixed Asset Equalisation Fund represents the net book value of tangible and intangible fixed assets. This assists in identifying funds which are not free for the Trustees to use. The transfer of £504,643 out to (2020: £574,661 out to) unrestricted funds represents the difference between net capital expenditure and depreciation.

The Running Costs Reserve is intended to provide adequate reserves to meet future charitable expenditure in the event of a significant short-term drop in income. The Trustees are targeting a level of 9 months +/- 3 months budgeted charitable expenditure. A transfer of £2,796,000 (2020: £1,168,000) has been made in from unrestricted funds. The balance on this fund is 12 months (2020: 9) of the Hospice's budgeted cash expenditure on charitable activities for 2021/22.

The Strategic Development Reserve has been established to support the delivery of the Hospice's strategic objectives. A transfer of £983,442 has been made in from unrestricted funds (2020: nil) No expenditure was incurred in the year (2020: £30,851).

The Staff Wellbeing Fund has been established to fund initiatives to improve workforce wellbeing and engagement. No expenditure (2020: £Nil) was incurred during the year.

## 6. Restricted funds

	Group and Hospice				
	Balance	Income	Expenditure	Transfers	Balance
	2020				2021
	£	£	£	£	£
Ward equipment fund	8,729	11,902	-	-	20,631
Children in Need project	-	38,582	(38,582)	-	-
Community Choir	1,500	-	-	-	1,500
Bereavement Service	3,186	11,198	(11,122)	-	3,262
Day Hospice	2,911	50	(54)	(2,243)	664
Rapid response nurse	50,000	-	(50,000)	-	-
Enhanced support service	16,686	36,773	(47,690)	-	5,769
Hospice at Home	500	48,420	(22,016)	-	26,904
Compassionate neighbours	5,820	20,400	(21,671)	-	4,549
Man Shed	-	5,155	-	-	5,155
Covid visitor coordinator	-	12,480	(5,114)	-	7,366
NHS England - patient care	-	6,276,936	(6,276,936)	-	-
Covid-19 local response	-	289,529	(289,529)	-	-
Other Funds	920	8,974	(7,625)	-	2,269
	90,252	6,760,399	(6,770,339)	(2,243)	78,069

The policy of the Trustees is to treat donations given for specific purposes as Restricted Funds until properly expended. The funds shown are those which were directed by donors to be used for specific purposes and are unexpended at 31 March 2021. These funds will be used in accordance with the directions of the donors in a subsequent accounting period.

## 7. Endowment funds

	Group and Hospice			
	Balance	Movement in resources		Balance
	2020	Income	Expenditure	2021
	£	£	£	£
The Edwin Stevens fund	40,000	4	(4)	40,000
The D.J. Squires "Love of Roses" fund	20,000	2	(2)	20,000
The June Daphne Allen fund	845,041	85	(85)	845,041
	905,041	91	(91)	905,041

The Edwin Stevens fund relates to a permanent capital contribution received on establishment of the Hospice. The D.J. Squires Love of Roses fund was established in 1996, the income from which is to be used for the research and advance of palliative care. The June Daphne Allen fund was created by the conditions of a legacy received in July 2001, the income from which is to be used for the general purposes of the Hospice. All income arising from these funds was expended during the year.

## 8. Comparative results for each group of funds

Year ended 31 March 2020	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds 2020
	£	£	£	£	£
<b>Income</b>					
Donations	1,763,374	-	262,417	-	2,025,791
Legacies	4,498,206	-	-	-	4,498,206
NHS grants	2,155,956	-	-	-	2,155,956
NHS service funding	328,944	-	-	-	328,944
NHS continuing healthcare funding	119,872	-	-	-	119,872
Education	161,797	-	-	-	161,797
Retail shops	5,962,685	-	-	-	5,962,685
Fundraising events	810,812	-	-	-	810,812
Trading subsidiaries	869,730	-	-	-	869,730
Investments	79,449	-	-	1,810	81,259
Coronavirus retail grants	835,000	-	-	-	835,000
Coronavirus job retention scheme	51,806	-	-	-	51,806
Sundry income	30,417	-	-	-	30,417
<b>Total income</b>	<b>17,668,048</b>	<b>-</b>	<b>262,417</b>	<b>1,810</b>	<b>17,932,275</b>
<b>Expenditure</b>					
Raising donations and legacies	889,993	30,851	-	-	920,844
Retail shops	5,611,794	-	-	-	5,611,794
Fundraising events	186,747	-	500	-	187,247
Trading subsidiaries	345,875	-	-	-	345,875
In-patient care	5,094,822	-	12,991	1,770	5,109,583
Hospice at Home	3,477,982	-	63,844	-	3,541,826
Community engagement and support	501,293	-	123,756	-	625,049
Education	834,065	-	2,000	40	836,105
<b>Total expenditure</b>	<b>16,942,571</b>	<b>30,851</b>	<b>203,091</b>	<b>1,810</b>	<b>17,178,323</b>
Net loss on investments	(240,820)	-	-	-	(240,820)
<b>Net income/(expenditure)</b>	<b>484,657</b>	<b>(30,851)</b>	<b>59,326</b>	<b>-</b>	<b>513,132</b>
Transfer from designated funds	(593,339)	593,339	-	-	-
Transfer from restricted funds	10,251	-	(10,251)	-	-
<b>Net movement in funds</b>	<b>(98,431)</b>	<b>562,488</b>	<b>49,075</b>	<b>-</b>	<b>513,132</b>

## 9. Intangible assets

		Total 2021
<b>Cost</b>		<b>£</b>
At 1 April 2020		409,537
Purchases		82,779
At 31 March 2021		492,316
<b>Amortisation</b>		
At 1 April 2020		326,835
Charge for year		54,499
At 31 March 2021		381,334
<b>Net book value</b>		
At 31 March 2021		110,982
At 31 March 2020		82,702

## 10. Tangible fixed assets

	Group and Hospice				Total 2021
	Freehold land	Freehold buildings	Leasehold buildings	Furniture, equipment and vehicles	
<b>Cost or valuation</b>	£	£	£	£	£
At 1 April 2020	71,586	12,168,870	524,229	2,086,967	14,851,652
Purchases	-	10,151	2,059	91,509	103,719
Disposals	-	(15,000)	-	(12,739)	(27,739)
At 31 March 2021	71,586	12,164,021	526,288	2,165,737	14,927,632
<b>Depreciation</b>					
At 1 April 2020	-	6,321,216	189,283	1,606,280	8,116,779
Charge for year	-	442,541	59,099	135,002	636,642
Disposals	-	(15,000)	-	(12,739)	(27,739)
At 31 March 2021	-	6,748,757	248,382	1,728,543	8,725,682
<b>Net book value</b>					
At 31 March 2021	71,586	5,415,264	277,906	437,194	6,201,950
At 31 March 2020	71,586	5,847,654	334,946	480,687	6,734,873

## 11. Investments

	2021	2020
	£	£
<b>Marketable investments</b>		
Market value at start of year	2,536,839	2,720,650
Net additions at cost	1,021,737	819,739
Movement in cash	124,619	(81,389)
Disposals at market value	(1,112,716)	(681,341)
Net gain/(loss) on revaluation/disposal	437,365	(240,820)
Market value at 31 March	3,007,844	2,536,839
<b>Trading subsidiaries (see Note 3)</b>	1,100	1,100
<b>Total investments</b>	3,008,944	2,537,939
Cost at 31 March	2,494,557	2,368,961
Marketable investments comprise:	£	£
Equities	1,536,927	1,179,873
Fixed Income	476,230	418,388
Other securities (absolute return funds, multi-asset funds, property funds, etc.)	794,708	863,252
Short term deposits and cash	199,979	75,326
	3,007,844	2,536,839

## 12. Stock

	Group	
	2021	2020
	£	£
Stock of promotional and new goods (all stock is held by PAH Trading Limited)	28,594	33,811

## 13. Debtors

	Group		Hospice	
	2021	2020	2021	2020
	£	£	£	£
Operating debtors	234,119	270,902	234,119	266,644
Accrued legacy income	2,472,085	3,726,784	2,472,085	3,726,784
Gift Aid recoverable	76,370	109,107	76,370	109,107
NHS England Covid-19 emergency funding	1,184,223	-	1,184,223	-
Retail rents prepaid	404,230	391,689	404,230	391,689
Insurance pre-paid	-	98,488	-	98,488
Coronavirus Retail Grants	84,143	835,000	-	835,000
Coronavirus Job Retention Scheme	160,495	51,806	160,495	51,806
Other debtors and prepayments	187,325	279,241	258,039	269,354
Amounts due from subsidiaries	-	-	228,693	186,302
	4,802,990	5,763,017	5,018,254	5,935,174

## 14. Creditors

	Group		Hospice	
	2021	2020	2021	2020
	£	£	£	£
Taxation and social security costs	223,834	242,123	223,834	242,123
Salaries and holiday pay	94,481	65,829	94,481	65,829
Operating creditors	186,880	427,070	185,869	425,512
Other creditors and accruals	395,618	406,923	293,825	308,283
	900,813	1,141,945	798,009	1,041,747

## 15. Staff remuneration

	Group	
	2021	2020
Costs	£	£
Salaries	10,289,040	10,636,598
Employer's National Insurance	902,067	927,767
Pension costs	632,316	634,685
Apprenticeship Levy	36,415	38,067
Agency staff	50,244	121,007
Recruitment and training expenses	90,877	78,411
Subsidiary companies staff costs	42,384	43,092
	12,043,343	12,479,627

	Group			
	2021		2020	
Average number of employees	Headcount	FTE	Headcount	FTE
In-patient unit	60	49	66	54
Hospice at home	62	47	58	43
Community engagement and support	12	10	11	10
Consultants and doctors	10	7	8	7
Clinical administration	15	11	16	12
Therapies	5	2	7	4
Housekeeping	18	14	21	15
Other support services	26	21	28	24
Education	10	7	10	8
Marketing and communication	9	6	8	7
Fundraising	14	12	16	13
Digital and data	7	6	5	5
Retail	171	118	179	124
Executive and finance	9	7	10	8
	428	317	443	334

	Group	
	2021	2020
The number of employees whose earnings (excluding employer's pension contributions) fell into the bands below were:	No.	No.
£60,000 to £69,999	2	6
£70,000 to £79,999	1	4
£80,000 to £89,999	4	-
£90,000 to £99,999	-	*2
£100,000 to £109,999	*1	-
£130,000 to £139,999	1	-
£140,000 to £149,999	-	1

\*The pay of the Chief Executive falls within this band.

Included in the number above are medical consultants, doctors and other senior clinical staff directly employed by the Hospice who are paid at a rate equivalent to the relevant NHS scale.

The key management personnel of the Hospice are the Trustees and the Senior Leadership Team ("SLT"). The SLT comprises the Chief Executive, Medical Director, Director of Patient Care and Strategic Development, Director of Digital, Communication, Marketing and Performance, Director of Income Generation, Director of Finance and Operations, Director of People Services and Organisational Development. They are subject to the same terms and conditions as other members of staff and do not receive any additional employee benefits. They are only reimbursed

for expenses wholly and necessarily incurred for business purposes in accordance with Hospice policy. The total employee benefit (salary and employer's pension contribution) received by the SLT was £630,382 (2020: £659,074)

The Trustees are the directors for the purposes of the Companies Act 2006 and, as required by the Articles of Association, are the members of Princess Alice Hospice, a Company limited by Guarantee. They receive no remuneration. During the year to 31 March 2021 they were not reimbursed for any expenses (2020: nil).

An aggregate payment of £55,751 (2020: £14,752) was made to 4 ex-employees (2020: one) under a settlement agreement. An aggregate payment of £9,498 (2020: £100,422) was made to 3 (2020: 7) employees on redundancy in respect of statutory redundancy pay.

## 16. Related Party Transactions

During the year ended 31 March 2021, the aggregate amount of donations received from Trustees and their close family members, the SLT and their spouse/partner was £4,126 (2020: £11,058).

The Trustees volunteer their time to fulfil their governance and leadership role. They provide support and advice to the SLT, which took the form of increased communication during the rapid fluctuations of the pandemic when staff and patient safety was paramount. They have continued to attend internal and external meetings, Hospice events and external events, in person where possible but otherwise virtually during the year. The Trustees estimate that during the year they donated over 2,000 hours of time in aggregate.

Gail Cookson, Trustee, is an International Director of WPNC a company providing direct marketing services. During the reporting period WPNC provided direct marketing services to the Hospice of £28,430 (2020: £4,821). There was no balance outstanding at 31 March 2021 (2020: £Nil).

During the year to 31 March 2021 the Hospice invoiced PAH Trading Limited for £2,431 (2020: £8,886) for the use of retail shop facilities to sell goods on behalf of supporters (Agency Sales) and £2,161 (2020: £13,187) for the preparation of sandwiches to sell in the coffee shop.

## 17. Analysis of net assets between funds (Group)

	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total 2021	Total 2020
	£	£	£	£	£	£
Fixed assets	-	6,312,932	-	-	6,312,932	6,817,575
Investments	-	2,102,803	-	905,041	3,007,844	2,536,839
Current assets	1,322,216	9,975,495	78,069	-	11,375,780	8,131,203
Current liabilities	(900,813)	-	-	-	(900,813)	(1,141,945)
Annuity provision	(99,000)	-	-	-	(99,000)	(99,000)
	322,403	18,391,230	78,069	905,041	19,696,743	16,244,672

## 18. Other financial commitments

	Retail Shops		Equipment	
	2021	2020	2021	2020
At 31 March 2021 the Group was committed to making the following payments under non-cancellable operating leases:	£	£	£	£
<b>Operating leases which expire:</b>				
Within 1 year	1,369,671	1,474,796	30,623	3,292
Within 2 to 5 years	2,700,167	3,434,822	-	54,119
After 5 years	1,042,935	1,347,952	-	-
	5,112,773	6,257,570	30,623	57,411

## **19. Post Balance Sheet Events**

COVID-19 has continued to impact the Hospice after 31.03.21. The retail shops remained closed until 11 April 2021 but had all re-opened by 14 April COVID-19-secure. Early trading results show sales are up on the comparable period in 2019. The longer term-impact on high street sales is still unknown. Retail income is expected to recover slowly and reach pre-pandemic levels by 2022/23 providing no further restrictions are imposed. Face to face fundraising events are expected to gradually resume and form part of the fundraising portfolio which will include expanded online and social media activity. The Hospice received additional government support through NHS England emergency capacity funding grants via Hospice UK in 2020/21 but no further funding is expected in 2021/22. The CJRS has been extended until September 2021.

# WHO'S WHO

## Trustees

### **Professor Fiona Ross CBE Chair**

Fiona is Emeritus Professor and former Dean at Kingston University and St George's, University of London; she is also a Governor of Westminster University.

### **Professor Sean Hilton**

#### **Vice-Chair** (from December 2020)

Sean is Emeritus Professor at St George's, University of London. He was a GP partner for 30 years in Kingston upon Thames.

### **Sean Watson**

#### **Vice-Chair** (to November 2020)

Sean is a Solicitor and formerly a Corporate Finance partner in International Law Firm CMS Cameron McKenna and a Non-Executive Director of 2 Listed FTSE companies. He is a founding Trustee of Dovedale Foundation, a family charitable foundation.

### **Despina Don-Wauchope**

#### **Honorary Treasurer**

Despina is a Chartered Management Accountant and has more than 30 years' experience working for a number of FTSE100 companies.

### **Professor Deborah Bowman MBE**

Deborah is an Emeritus Professor of Medical Ethics and Law and a Clinical Ethicist who has combined a successful academic career with effective and values-based senior leadership in Higher Education.

### **Gail Cookson**

With over 30 years' experience in fundraising, Gail has been a director of WPNC for 18 years.

### **Monica Harding**

Monica has worked as a CEO, Director and consultant in the UK and internationally across government, charity and business sectors.

### **Tim Hewens**

Tim is a solicitor and a partner at Osborne Clarke LLP where he specialises in M&A and Private Equity. He was previously a trustee of Walton Charity and of the RG Foundation.

### **Andrew Jennings**

Andrew is retired following a career as a Chartered Accountant in the City where he spent over 30 years in International Law management.

### **Jeannine Nolan**

Jeannine has over 30 years' experience in the healthcare communications sector, working with leading pharmaceutical companies and global agencies.

### **Dr Heather Patel**

Heather is a recently retired GP with 35 years' experience. Her practice was in Claygate where she worked closely with the Princess Alice Hospice on behalf of her patients.

### **Karen Roberts**

Karen has over 30 years' experience of managing Human Resources in global companies, specialising in talent management and workforce planning.

**Christopher Roshier**

Christopher is a retired chartered accountant with 20 years' experience working in the City as a merchant/investment banker.

**Jamie Tolentino-Deludet**

Jamie has extensive experience in digital marketing and innovation. She is currently working for StoneShot, a digital agency. She helps the traditional industry of financial services become digitally enabled.

**Dr Peter West**

Peter is a health economist with over 40 years' experience working for consulting groups, universities and government agencies across the world.

**Honorary President****Jane Formby MBE**

Jane has been involved with the Hospice for over 30 years, first as a volunteer then as a founding Trustee. Jane stepped down as a Trustee in 2018 and took up the role of Honorary President.

**Committee Advisory Members**

**Rob Aldous**, Director of Kingston Hospital Charity – Income Generation Committee

**Duncan Burton**, Deputy Chief Nursing Officer for England - Clinical Strategy and Governance Committee

**Jon Cunliffe**, Chief Investment Officer, Charles Stanley – Audit and Risk Committee

**Karen Frend**, Deputy Head of Central Governance at the Cabinet Office – Audit and Risk Committee

**Esther Kitto**, Director of Clinical Operations (clinical drug development) – People and Communities Committee

**Tim Moody**, Head of Property, British Heart Foundation – Income Generation Committee

**Maxine Obeng**, Assistant Director East London NHS Foundation Trust and founder of Niche Careers Consultancy – People and Communities Committee

**Gavin Ramjaun**, sports journalist and TV presenter – Income Generation Committee

**Monday Ugiagbe**, Senior Lecturer in Nursing, Middlesex University – Clinical Strategy and Governance Committee

**Darren Webb**, Director, Global Capital Markets – Finance and General Purposes Committee

**Representatives of the Friends of Princess Alice Hospice**

**Veronica Eagles** – People and Communities Committee

**Mary Houghton** – People and Communities Committee

## Senior Leadership Team

Nicki Shaw  
Chief Executive

Professor Craig Gannon  
Medical Director (to 28 February 2021)

Karen Garforth  
Director of People Services and Organisational Development (from September 2020)

Angela Grimes  
Director of Income Generation

Diane Rickwood  
Director of Finance and Operations and Company Secretary

Nigel Seymour  
Director of Digital, Marketing, Communications and Performance

Lesley Spencer  
Director of Patient Care and Strategic Development

Jennifer Todd  
Medical Director (from 1 March 2021)

## Advisors

**Cazenove Capital Management**, 1 London Wall Place, London EC2Y 5AU

**Mazars LLP**, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

**Barclays Corporate**, Ground Floor, Tagus House, Ocean Way, Southampton, SO14 3TJ

# Special thanks to .....

## Trusts

- A and R Woolfe Charitable Trust
- The Albert Hunt Trust
- The Ann Jane Green Trust
- The Anonymous Donor Trust
- BBC Children in Need
- Belron Ronnie Lubner Charitable Foundation
- The Bookhams, Fetcham & Effingham Nursing Association
- The Brock Webb Trust
- Charity of Stella Symons
- The Childwick Trust
- Community Foundation for Surrey
- The Dandy Charitable Trust
- Diocese of Arundel and Brighton
- Edwin George Robinson Charitable Trust
- Farrer-Brown Charitable Trust
- The February Foundation
- G F MacAulay Charitable Trust
- The Gerald Bentall Charitable Trust
- The Girdlers Company
- GM Marriage Charitable Trust
- Hampton Fund
- Hargrave Foundation for A Brighter Future
- Holloway Charitable Trust
- The Hospital Saturday Fund Charitable Trust
- I Vassiliou Charitable Trust
- The Ingram Trust
- Institute of Our Lady of Mercy
- The Joseph Strong Frazer Trust
- Joyce Kathleen Stirrup Trust
- Kingston Nursing Association
- Loseley & Guildway Charitable Trust
- The Margaret and David Walker Trust
- Masonic Charitable Foundation
- The Michael & Anna Wix Charitable Trust
- Middlesex Province Relief Fund
- Neighbourly Community Fund
- Peter Harrison Foundation
- Rest-Harrow Trust
- Richmond Parish Lands Charity
- The Rowan Bentall Charitable Trust
- The Rozel Trust
- The Sandra Charitable Trust
- The Shirley & Ian Watson Charitable Trust
- Shona Bisset Milne Charitable Trust
- Sir Edward Lewis Foundation
- Spelthorne Borough Council

- SSP Foundation
- Starkie Bence Charitable Trust
- Surrey Provincial Charity Fund
- The Vernon N Ely Charitable Trust
- Walsingham Care

## **Masons**

- Abbey Lodge No 2120
- Astede Lodge Chapter
- Baron Carleton Lodge No 8434
- Egyptian Lodge
- Light from the East Chapter No 4186
- Lodge of Good Companions 7524
- McMahon Chapter Rose Croix No 161
- Rosehill Park Lodge
- Southborough Lodge
- St Georges Esher Lodge
- Surbiton Lodge No 2146
- The Oddfellows Mid-Surrey District Lodge 3713

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