

# 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 organisation-al 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?"

- o 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 PEOC (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						

Emissions: Scope 3						
	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>2</sub> e / FTE	1.23	1.59	1.33
Intensity ratio = tCO <sub>2</sub> e / unit sold	0.001 (≅ 1.0 kgCO <sub>2</sub> e / unit sold)	0.0004 (≅ 0.4 kgCO <sub>2</sub> e / unit sold)	0.0003 (≅ 0.3 kgCO <sub>2</sub> e / unit sold)
<b>Notes</b> <ul style="list-style-type: none"> <li>Domains are the activities recommended to be reported against when calculating organisational CO<sub>2</sub>e emissions, eg gas, electric usage, business mileage, etc</li> <li>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</li> <li>The tCO<sub>2</sub>e and FTE values used are for Hospice and Retail combined</li> </ul>			

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

Intensity ratio = tCO <sub>2</sub> e /FTE(organisational)	-	-	1.35
Intensity ratio = tCO <sub>2</sub> e / unit sold	-	-	0.0003 (≅ 0.3 kgCO <sub>2</sub> e / unit sold)
<b>Notes</b> <ul style="list-style-type: none"> <li>These intensity factors include the emissions from the newly added domains, ie those from refrigerants, water usage and treatment, and working from home</li> </ul>			

## 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.



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)
Net contribution as per SoFA		1,029,052	335,374
"Other income" related to retail operations			
Coronavirus Job Retention Scheme	-		
Coronavirus retail grants	-	-	235,262
		1,029,052	570,636

\*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
Profit and loss accounts	£	£	£	£
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
Shareholder's funds				
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
Analysis of support costs:		Basis of apportionment		Group 2023	Group 2022
				£	£
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
				Group 2023	Group 2022
The above figures include:				£	£
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
Income	£	£	£	£	£
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>
Expenditure	£	£	£	£	£
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>	
<b>At 31 March 2023</b>	<b>32,114</b>
<b>At 31 March 2022</b>	<b>71,867</b>

## 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
Depreciation					
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
Net book value					
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
Marketable investments	£	£
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
Trading subsidiaries (see Note 3)	1,100	1,100
Total investments	3,070,891	3,204,811
Cost at 31 March	2,646,405	2,562,875
	2023	2022
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

	Group	
	2023	2022
Costs	£	£
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	
	Headcount	FTE	Headcount	FTE
<b>Average number of employees</b>				
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  
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The Dandy Charitable Trust  
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The Dixie Rose Findlay Charitable Trust  
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The Erica Leonard Trust  
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The Sandra Charitable Trust  
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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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TAR | SEPTEMBER 2023

