



“Thank you to everyone who has supported an outstanding year helping us to care for more patients and supporting more families than ever before.”

**OUR DIRECTORS' AND TRUSTEES' REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

A Company Limited by Guarantee not having share capital

Registered company number 02700516 (England and Wales)

Registered charity number 1011712

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## Chairman's Statement



It has been an outstanding year for delivery of care. We have delivered more care to more patients and supported more families than ever before, with an increase of 23% to 1,881 people. This involved delivering 50% more respite care visits and 150% more complementary therapies as well as increasing IPU admissions by 20%. These improvements have only been possible by the hard work of everyone within the organisation but a special thanks must go to Dave Fletcher and all on the care team; work that was rewarded when the team were runners up in the Nursing Times Best UK Employer of the Year, a fantastic achievement for a small organisation.

This year has continued to be challenging for all involved in the Hospice. The economy and related issues with NHS funding continue to make running the charity difficult. Despite this, however, the staff and volunteers have risen to the challenge and continued to exceed expectations in all areas of our operations: delivery of care to our local community, retail, fundraising, and our support services.

On a negative side we made the decision to close Embrace Quality Care, a subsidiary company we ran providing paid for domiciliary care at home, generally for patients at end of life. A cap in the hourly rate at which the NHS would fund the service reduced our revenues by 25% which meant it was no longer viable to continue, and the Trustee Board felt the charity could no longer fund the shortfall in income. I would like to thank all the staff involved within Embrace and note the highly professional way in which the business was closed down with only a third of the staff being made compulsorily redundant. It is worth noting that this was achieved without a detrimental impact on the care of any individual patient.

Care would not be possible without the income to support the charitable aims. This is only possible through the continued support of our local community through fundraising and retail activities for which we remain so grateful.

The retail operation continued to perform well with a huge thank you to our volunteers, staff, donors and, of course, our shoppers. In 2023-24 our charity shops raised almost £2 million, including over £300k which was generated on donated goods via Gift Aid, and this is all from over 2 million items which were put out for sale in our shops. The Board agreed to purchase the warehouse site in Stafford, this will guarantee one of our largest retail outlets as well as providing future revenue gains as we develop the site.

The fundraising environment continues to be challenging but the new year has seen the appointment of Hannah Fahy as our new Head of Fundraising and we look forward to seeing her and the team develop our fundraising activities. While we can't compete with the national charities, our continued excellence of care and standing in the local community means that income from gifts in wills remains an important source of income; currently 1 in 3 patients are cared for thanks to a legacy.

Looking to the future the Trustees and Executive held an excellent away day in November 2023 discussing future strategy and planning. Work is now concentrating on a few key projects to drive forward a viable future for the Hospice. Part of this is a continued effort to work with our neighbouring hospices in the hope this gives us a stronger voice with the local health authorities. An early success for this collaboration has been the setting up of the 24/7 advice line for carers and professionals serving all the local hospices and providing valuable support to carers and professionals in need of vital support during exceptionally difficult times.

This year has seen several notable personal events. January saw Richard Soulsby, our CEO, complete 25 years' service with the Hospice; without his leadership over the years the Hospice would not be the success it is and the Board would again like

to express its thanks for his service. I would also like to thank one of our trustees, Jennifer Woodyard, who stepped down after serving her full term; her experience and knowledge were invaluable to the Board and she will be missed.

It is with sadness that I also recognise the passing of two serving staff members, Amy Carter from Retail whose humour and dedication will be missed by colleagues and customers alike; and Julia Gartside-Bentley, who was a popular, long-standing senior staff nurse on the unit and whose confidence in our services meant she chose to be an inpatient at the hospice – a challenging situation professionally managed by her colleagues and friends on the unit; and also long serving volunteers and ex-staff who served the Hospice for many years notably Joan Potter, Mary Boden, Brenda Morris and Val Moore, who all served the Hospice since its early days and will be sadly missed.

Overall, another successful but challenging year. I remain committed to leading the Hospice and along with the Board of Trustees have faith in the Executive Team in developing the Hospice going forward. As ever though the people who make the Hospice what it is are the staff, volunteers, Trustees, and subsidiary company directors who continue to impress me with their commitment and enthusiasm, a massive thanks goes out to you all.

A handwritten signature in black ink, reading "Peter Catchpole". The signature is written in a cursive, flowing style.

Peter Catchpole  
Chairman, Katharine House Hospice



## Our Vision

People live well and  
die with dignity in a  
place of their choice.





The background image shows three women in a kitchen-like setting. On the left, a woman with dark hair and a pink cardigan is seated. In the center, a woman with blonde hair in a blue uniform stands. On the right, a woman with blonde dreadlocks and tattoos is seated. The scene is brightly lit with white walls and cabinetry.

# Our Mission

We help local adults with complex, progressive illnesses from diagnosis to the end of life through free, high quality, specialist palliative care, advice and guidance and we support those close to them.



### **Chris and Tony, from Castlefields, Stafford**

**Our Hospice at Home team makes Chris and husband Reverend Tony feel “safe and cared for.”**

Chris is the main carer for her husband who was recently diagnosed with cancer. Our expert Hospice at Home team initially gave crisis support and now provides carer visits and nights sits.

“The carers are so kind and empathetic it helps me feel safe knowing that I am not alone.”

Chris was diagnosed with cancer in May last year and underwent surgery in August. Her chemotherapy treatment is tiring and she finds the support of our care teams invaluable.

“To have a good sleep at night, knowing Tony is safe, is incredible.”

## **OUR CARE**







### **Mel from Burleyfields, Stafford**

When Mel was diagnosed with stage four breast cancer, she was referred to us straight away. As well as having help herself, her whole family are supported.

Mel explains: "I am 39 with two young boys and the diagnosis turned our whole lives upside down – I honestly believe if I hadn't had the support of the hospice over the last 14 months I would have struggled to deal with the diagnosis a lot more and struggled to have gone back to work as well.

**"The charity has been amazing at helping me process the hard stuff so I can get back to living and doing normal things like working, doing the school run, and going to watch my sons play football on a Sunday, as well as fitting in hospital appointments, injections, bloods and scans.**

"When I told my mum that I was referred to a hospice she was scared – many people have the perception that you go there to die. My experience has been so different. I wasn't aware of the extent and variety of services until I was referred for care. It's a whole package of support, from home visits and care to outpatient, pain management and therapeutic support."



## **OUR CARE**



# **TRUSTEES' AND DIRECTORS' ANNUAL REPORT 2024**

## **THE YEAR IN SUMMARY**

This year has been extremely positive:

- ✓ We have delivered more care to more patients and supported more families than ever before, with an increase of 23% to 1,881 people.
- ✓ Activity in inpatient and community services has increased.
- ✓ We have, with Douglas Macmillan Hospice and Compton Care, launched a 24/7 advice line.
- ✓ The re-launched therapy and wellbeing services have seen a significant increase in activity.
- ✓ Retail performance has been exceptional generating £1.9m (before shared overheads) funds for the Hospice.
- ✓ Fundraising has seen an unexpectedly positive financial year, despite facing staffing challenges.
- ✓ We have seen a further year of high income from gifts in wills.
- ✓ Staff teams have become much more stable across the organisation with falling levels of vacancies and improved retention of staff.
- ✓ There has been a financial surplus of £1.4m.

We continue to struggle to engage with the Integrated Care Board, and their decision to cap funding to domiciliary care providers at a rate 25% below that charged by Embrace Quality Care, has resulted in the decision to close this service with effect from 2<sup>nd</sup> March 2024.

As we leave the last financial year, the Trustees have decided to reinvest the surplus from the current financial year into developing our care services and making our infrastructure more robust. Key investments include:

- ✓ Increasing nursing, medical, counselling and complementary therapy support to the Wellbeing and Therapy service.
- ✓ Increasing carers within the Hospice at Home team.
- ✓ Creation of two new roles to support staff: a Director for People and a Learning and Development Manager

We look forward to 2024/25 being as successful as 2023/24.

## INTRODUCTORY INFORMATION

### 1. Introduction

The directors of the charitable company Katharine House Hospice (the Charity) are its Trustees for the purpose of charity law and are pleased to present their annual report together with the consolidated financial statements of the Charity and its subsidiaries for the year ended 31 March 2024, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The company meets the requirements to prepare a 'strategic report', and this is included within the annual report comprising sections four to seven inclusive.

### 2. How we make a difference

#### 2.1 Legal Purpose

Our Articles set out the objects for the Charity as being **to promote the relief of sickness and suffering**, in particular:

- a) by the establishment of day or domiciliary care and to establish, maintain and manage a Hospice Hospital or Residential Home;
- b) To promote the teaching or training of doctors, nurses, and other persons;
- c) To provide counselling or spiritual help.

#### 2.2 Our Mission

Our mission is that:

***"We help local adults with complex, progressive illnesses from diagnosis to the end of life through free, high quality, specialist palliative care, advice and guidance and we support those close to them."***

#### 2.3 Our Services

In fulfilling its purpose Katharine House Hospice focuses on the provision of specialist palliative and end of life care. These services, described below, are free of charge and support people and their families affected by any progressive, life-limiting conditions.

##### ***Community Services***

Services provided in the community include: a specialist nursing service providing advice to healthcare professionals in primary care; a healthcare assistant led, rapid response, hospice at home service providing hands on care and support to patients and families; a respite sitting service to support carers; and supporting a 24/7 advice line.

Embrace Quality Care Limited was established in April 2012, to provide home care services reflecting the quality of care of the Charity but charging for its services. The work of Embrace falls fully within the charitable objects of Katharine House Hospice. Trustees have

been willing to subsidise its deficits, but a funding cap introduced by the Integrated Care Board in July 2023 has meant the Trustees are no longer willing to subsidise its deficits, preferring instead to utilise these resources for the delivery of specialist palliative care services in line with the Hospice's mission.

### ***Wellbeing Programmes***

Six-week programmes of advice, education, and support for patients, delivered one day a week. The programme is designed for patients earlier in the progression of their disease to learn about different aspects of their condition and to improve self-management, for example breathlessness, fatigue, or anxiety.

### ***Inpatient Care***

24-hour specialist inpatient care providing symptom control, terminal care or respite care is provided at the Hospice for up to eight patients, while the Hospice's consultant medical team support 10 dedicated palliative care beds at County Hospital in Stafford.

### ***Lymphoedema Services***

A specialist lymphoedema service provided to outpatients. At present this is a mixture of a telephone or teleconferencing service and face to face assessments and treatments.

### ***Outpatient Services***

In June 2023 we launched outpatient provision, enabling patients and families to access a wide range of services including: medical and specialist nursing advice, occupational and physio therapy, counselling, spiritual support and complementary therapy.

## **3. Charitable Income Generation**

To ensure our services can be delivered at no charge the Charity carries out income generation activities to raise funds to support the work of the Charity, most notably fundraising, lottery, and retailing.

### **3.1 Approach to Fundraising**

The Charity's fundraising activities are carried out by members of our community, volunteers, and paid members of our staff. Fundraising activities are monitored by our Income Generation Committee, including monitoring our compliance with the requirements of the Fundraising Regulator.

On occasion we will employ the services of professional fundraisers where we do not have the in-house skills to carry out the work and in 2022/23 we worked with a company to increase the membership of our lottery. Their activities were monitored by our Head of Fundraising through regular contact with the Sales Manager of the company, monitoring any adverse comments or complaints, and through a weekly in-house monitoring report.

We have now outsourced the lottery operation to Local Hospice Lottery, which provides significant economies of scale allowing a much higher proportion of each player's contribution to come to support the work of the Charity.

### **3.1.1 Fundraising Regulator**

All charities with fundraising costs of £100,000 or more have been asked to pay an annual voluntary contribution to fund the Fundraising Regulator. Trustees are unable to ascertain the value of this expenditure to this organisation and have chosen not to do this.

We receive a weekly e-mail advising us of requests under the Fundraising Preference Service to no longer contact donors. In the last year we have received no such requests (2023: 0).

### **3.1.2 Fundraising Standards**

The Charity conducts its fundraising in accordance with the best practice guidelines available, for example from the Fundraising Regulator's Codes of Practice and guidance from the Institute of Fundraising. We take a relationship-based approach to our fundraising and consider the needs of our supporters (and our beneficiaries) when undertaking all of our fundraising activities.

### **3.1.3 Fundraising Complaints**

Fundraising complaints are considered by two Trustee Committees. In 2023/24 in relation to our fundraising activities the Charity received 10 complaints (2023: 8 complaints), of which 2 related to the lottery (2023: 2). 2 were upheld in full, 5 were partially upheld, 2 were not upheld and no determination was made in one case (2023: 5 / 2 / 1 / 0). None of the complaints related to breaches of the Fundraising Code of Conduct. All were followed up swiftly and concluded in accordance with the Charity's complaints policy.

### **3.1.4 Vulnerable People**

By working within the Fundraising Regulator's Codes of Practice and maintaining a relationship-based approach to our fundraising activities we endeavour to protect vulnerable members of our community. We have a policy in place regarding liaison with supporters who may be vulnerable.

## **STRATEGIC REPORT**

### **4. Key Strategies**

We are in the second year of the Trustees 5 year corporate strategy. The key themes within this strategy are set out below with progress made.

#### **4.1 Care**

- Development of outpatient clinics for lymphoedema, consultations with doctors and clinical nurse specialists, occupational therapy, physiotherapy, counselling, complementary therapy, and wellbeing services. ***Completed with further development expected in year 3***



- Seven day a week access to a telephone helpline for patients, families, and healthcare professionals. **Implemented**
- Guidance and educational resources for patients and families.
- Maintain an open and collegiate approach to collaboration and integration with other providers in the new Integrated Care Board.
- Explore with general practitioners how we can better collaborate to meet the needs of patients. **Commenced**
- Explore with other providers how we could share clinical resources within teams. **Some progress with other hospices**
- Engage in the development of integrated care records for people at end of life. **Commenced**
- Work with other providers to enable rapid and effective transitions for patients into and out of our services.
- Target support for patients who deteriorate rapidly by supporting improved forward planning for patients at the end of life.

## 4.2 Revenue Generation

- Continue to focus on medium to large retail stores, acquiring new sites where we have closed smaller units. **Two leases are under negotiation.**
- Develop collaboration on retailing with other charities.
- In fundraising:
  - Adopt a data driven approach to decision making. **Commenced**
  - Improve nurturing activities for all donors. **Commenced**
  - Develop an effective communications strategy for supporters
  - Improve our website's content and functionality. **Commenced**
  - Improve our social media content. **Commenced**
  - Emphasise securing gifts in wills and regular giving. **Commenced**

## 4.3 Support Services

### 4.3.1 People

- Develop an engaged workforce that is proud to work for Katharine House. **Commenced**
- Disperse leadership within the organisation. **Commenced**
- Move the leadership of the organisation onto a project-based approach. **Implemented**
- Simplify the processes for managing people. **Commenced, expected to complete in year 3**
- Review all HR practices to make them simpler, easier to follow, and more accessible to managers and staff. **Commenced with ongoing work in year 3**
- Develop a plan that focusses on equality, diversity and inclusivity.
- Enhance our use of volunteers.

#### **4.3.2 Marketing and Communications**

- Change our tone of voice as an organisation, becoming bold and emotive: looking to inspire and inform our audiences by telling positive stories about our work. **Commenced**
- Be explicit about the symbiosis between our care services and our income generation. **Commenced**
- Change perceptions about hospice care. **Commenced**
- Ensure marketing and communications work is strategic and effective by implementing research and evaluation of campaigns and marketing activity
- Develop a one hospice approach. **Commenced**
- Work closely with other teams to ensure that stakeholders experience one hospice communicating with them. **Commenced**
- Review our brand identity, ensuring it is in line with how we want our audiences to perceive us and ensure we have a clear, bold visual identity. **Completed**
- Build a more robust marketing & communications team.

#### **4.3.3 Information Technology**

- Adopt a “Think cloud first” approach. **Some elements have moved to the cloud. The new clinical and HR systems will be cloud-based.**
- Replace our clinical and HR systems. **Clinical system acquired, to be implemented**
- Replace the telephone system. **Completed**
- Introduce a system to help standardise our procedures, increasing compliance, reducing paperwork, and providing easier reporting. **System acquired and first modules up and running**

## **5. Achievements and Performance**

### **5.1 Summary of Main Achievements**

The Hospice has strengthened its financial position, continued to restore its main services implemented the new outpatient model, increased the number of patients we support, achieved the highest level of retail surplus, and created an organisation that is more robust than it was pre-pandemic.

### **5.2 Progress with 2023/24 Objectives**

The principal objectives for 2023/24 and progress against these are set out below.

#### **5.2.1 Commence the outpatient services**

These services have commenced and investments are planned for 2024/25.

### ***5.2.2 Implement the extension of the advice line***

The Advice line was extended to 7 days a week, and three hospices have implemented a 24/7 Advice line across the Staffordshire and Stoke-on-Trent Integrated Care Board.

### ***5.2.3 Work with other providers to develop joint proposals for the Integrated Care Board (ICB) to improve specialist and end of life care across Staffordshire and Stoke-on-Trent***

We have developed two proposals, the 24/7 advice line as noted at 5.2.2 and an out of hours rapid response service. Whilst warmly received, the ICB have not been able to provide any concrete support by way of undertakings for future financial support of these initiatives.

### ***5.2.4 Secure an additional premises for retail***

We have not secured an additional premises, but have bought one of our existing sites to protect this income stream. Two leases are at present under negotiation.

### ***5.2.5 Introduce initiatives to cultivate an engaged workforce***

A major project within the Charity is focused on this initiative and has made very substantial progress, but this is a long-term plan.

### ***5.2.6 Reduce risks and increase robustness of our internal processes***

We are rolling out a number of projects to address our internal processes. Those completed include: the management of complaints and recording of compliments, a review of HR policies and procedures, the management of controlled documents, improving data protection and compliance with General Data Protection Regulations,

Those in progress and expected to complete or commence in 2024 include: revising the staff handbook and induction of staff, management of incidents, management of risk assessments, improving the organisation's culture and the empowerment of staff, assessing our approach to equality, diversity and inclusivity.

## **5.3 How We Measured Performance and Success**

The main measurements for success relate to increasing our provision of services – see section 5.4. Additional items routinely reported to Trustees include:

- Qualitative aspects of care services such as: patient falls, medication errors, pressure ulcers
- Compliance with Care Quality Commission standards
- Health and safety data on accidents and incidents
- Data breaches
- Complaints and outcome of complaints
- Staffing levels against establishment, absence rates, turnover
- Compliance with Fundraising Regulator guidance

Financial information compares each department's performance against budget, in particular retail income and surplus, fundraising surplus, lottery surplus, statutory sector income, and net expenditure on care, support services and overheads.

#### 5.4 2023/24 Charitable Activities

During 2023/24 the number of individual patients we supported increased by 23% from 1,527 to 1,881. A summary of some of the key metrics for our main services is set out in the following table – with some patients accessing services more than once and accessing multiple services.

<b>Year ended</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Inpatient bed days	2,356	2,117	2,214	1,717	2,269
Inpatient admissions	167	147	125	125	143
Outpatient attendances / Home visits	672	163	Closed	Closed	1,853
Specialist nurse visits	1,327	1,283	1,286	486	1,071
Community care contacts	5,374	5,579	5,998	6,376	6,521
Lymphoedema treatments	1,853	1,667	1,404	514	1,685
Telephone/video calls	15,333	13,123	12,964	15,992	6,760

The year saw activity increasing significantly over the previous year.

#### 5.5 Summary of Main Operational Challenges

Katharine House Hospice's entire operations sit within the Staffordshire and Stoke-on-Trent Integrated Care Board (The ICB). Unfortunately, the local health commissioners have not increased our underlying grant for 10 years. Additional one-off payments have supported the Hospice through this period and especially the Covid related grants received from NHS England. However, our expectations that a single NHS commissioner would see an improvement in the underlying position seems unlikely to happen. The continuing financial crises facing the ICB and its predecessors and an absence of any direction for end of life and palliative care services has left its hospices out on a limb.

Public misconceptions and fear about death and dying, the nature of our services, and the work of hospices continue to create a barrier to patients accessing our services. It is unfortunate that too many families wish they had accessed our services earlier.

Continual changes and increasing requirements on a range of regulatory and compliance issues has meant senior management time is diverted to addressing legal requirements rather than improving our performance. The latest changes incorporate a raft of new legal requirements under employment law, and a new regime for providers registered with the Care Quality Commission.

We also experience retail landlords having unreasonable expectations on rents.

## **5.6 Summary of Key Objectives for 2024/25**

The key objectives for the 2024/25 year are:

1. Extend and develop our outpatients, therapies and wellbeing services.
2. Increase provision of community services.
3. Develop relationships within primary care.
4. Review and revise our care strategy.
5. Develop proposals for renovation of the inpatient unit.
6. Secure at least one additional premises for retail.
7. Commence the implementation of a new clinical system.
8. Implement a new system for managing incidents.
9. Implement a new system for managing risks.

## **6. Financial review**

### **6.1 Factors Affecting Financial Performance**

#### ***6.1.1 Review of factors affecting performance***

The major factors within the control of the Charity are managed effectively, enabling the Trustees to move the Charity forward. There are sound systems for reviewing the quality and safety of patient care, financial performance, staff management and staff representation, staff and volunteer recruitment and induction, the protection and appropriate use of personal data and the management of health and safety.

There are a wide range of factors lying outside the direct control of the Charity.

#### ***6.1.2 The relationship with the Integrated Care Board (ICB)***

£1.25m (24.7%) of the £5.28m needed to fund and operate the Charity comes from the NHS. The Trustees are disappointed that there has been no progress on palliative and end of life care when it appeared initially to be a high priority within the newly formed Staffordshire and Stoke on Trent ICB. There has been no uplift in the main grant from local commissioners for the last four years, although 1.7% has been offered for 2024/25.

#### ***6.1.3 Cost pressures***

While energy cost increases are now impacting the Hospice as we come out of long-term agreements. Wage inflation remains our biggest expenditure item, with substantial increases in both April 2023 and April 2024.

We continue to see unavoidable costs imposed on the Charity. Our costs are systematically driven up by the need to comply with legislative requirements with the major cost burden coming from increases to the National Minimum Wage. In April 2023 the minimum wage



increased by 9.34% and the cost of a full-time employee by 10.2%. An increase in the minimum wage of 9.7% in 2024 has an increasingly significant impact on our payroll costs.

#### **6.1.4 Recruitment and retention**

Recruitment and retention have improved significantly in the last year.

#### **6.1.5 Competition**

The external conditions for all income generation have become increasingly competitive, particularly in retail where more charity shops are competing for donations and customers, while commercial companies will pay former potential donors for goods they might otherwise have donated or persuade them to sell their items on-line.

National charities are adopting TV advertising as a means to attract increased gifts in wills. As a local hospice it is beyond our means to adopt this approach, but we have recently joined with other hospices through Hospice UK to develop a nationwide TV advertising campaign.

#### **6.1.6 Supplier issues**

The Hospice has experienced unusual issues with the reliability of certain suppliers – in particular building contractors where there is a high demand for their services and rapid increases in their material costs. This is making it difficult to get quotations that have any longevity to enable comparisons.

#### **6.1.7 Regulatory burden**

The regulatory burdens on the Charity are extensive, burdensome, and costly, both financially and in staff time. Compliance with the Office for National Statistics requirements to provide data, anti-money laundering requirements, HMRC requirements on making tax digital, a new provider portal at the Care Quality Commission are a few examples of the regulatory burdens we face.

### **6.2 Charitable Income Generation**

#### **6.2.1 Performance and proportion of income raised spent on raising funds**

In addition to raising funds, fundraising costs include managing the receipt, counting, banking of all donations, thanking all supporters, reclaiming Gift Aid on relevant donations, as well as supporting others to raise funds on our behalf. We received 12,299 donations (2023: 16,942) the smallest of which was a penny and the largest was £50,480. Fundraising raised £946,423 gross (2023: £837,470).

30 people left a gift in their will (2023: 24) and donated £1,163,127 (2023: £948,506) this will fund the care for 1 in 3 of our patients in the coming year.

The outsourced lottery contributed £296,365 (2023: £301,810) to the Hospice. The outsourcing has increased the proportion of players' funds that have supported the care provided by the Charity.

<b>Income Source</b>	<b>Gross income £</b>	<b>Costs £</b>	<b>Net contribution £</b>	<b>% FR costs</b>
Fundraising (Excl legacies)	946,423	294,669	651,754	31.1%
2023:	837,470	275,345	562,866	32.9%

### **6.2.2 Retail Performance**

The retail operation has continued its strong performance. Comparative figures for the last two years are provided below.

<b>Year ended</b>	<b>2024 £</b>	<b>2023 £</b>
Sale of donated goods	4,625,113	4,289,306
Trading Income	305,840	264,836
Expenses	(3,653,217)	(3,344,113)
Net revenues	1,277,736	1,210,029
Gift aid on retail sales	325,297	286,090
<b>Total contribution</b>	<b>1,603,033</b>	<b>1,496,119</b>

## **6.3 Review of the Financial Accounts**

The accounts for 2023/24 are prepared in accordance with the requirements of the Charities Statement of Recommended Practice (2015) (FRS 102).

### **6.3.1 Review of the financial position**

Key financial aspects of performance are:

- Legacy income increased by £214,621 to £1,163,127
- Revenues from the statutory sector increased by £104,552 to £1,374,913 (2023: £1,270,361) due to ad hoc specific contract income plus a change in the prison services contract.
- Fundraised income increased by £108,953 to £946,423 (2023: £837,470)
- The lottery contribution slightly decreased by £5,445 to £296,365 (2023: £301,810), the lottery processing transferred to Local Hospice Lottery in June 2022

- Retail returned a strong financial performance making a surplus of £1,603,033 (2023: £1,496,119)
- The charitable costs increased by £591,525 to £4,252,607 (2023: £3,661,082)
- Investments showed gains during the year of £33,102 (2023: losses of £33,773)
- The Charity's group recorded an increase in total funds of £1.36m (2023: increase of £1.26m)

### **6.3.2 Sources of funding**

The Charity's primary sources of funding derive from its retail trading activities, from the statutory sector, from fundraising (including a lottery) and from legacies and unsolicited donations.

Retail performance continues to be very strong, see 6.2.2.

Fundraising and lottery are mature income streams and continued growth is hard to achieve.

The local Integrated Care Board has agreed to maintain the Charity's grant with a 1.7% uplift for 2024/25.

### **6.3.3 Reserves policy**

The free reserve funds of the Charity, excluding restricted funds, are calculated from the consolidated balance sheet as total net assets less fixed assets, creditors over one year, and provisions. These are summarised below.

The Trustees have established nine designated funds. Details of funds are contained in note 23 to the accounts.

The Trustees' reserves policy is that in order to fulfil the Charity's obligations to the communities it serves it is desirable for there to be unrestricted and undesignated funds (or free reserves) available as current assets, or investments, equivalent to six months' running costs of the Charity; the minimum reserves should be two months' running costs.

The free reserves stand at £6,792,498 (2023: £6,290,178) equating to 19 months operating costs for the Charity. The Trustees have approved a budget deficit of £834k to ensure the Charity can make progress against its strategy. Trustees are satisfied that the Charity has sufficient liquidity within the reserves to maintain the Charity's current operations over a medium term of three years in a normal operating environment.

Details of the funds held by the Charity are provided in note 23.

### **6.3.4 Going concern**

When setting the 2024/25 budget the Trustees look at a further two year forecast and the implications on the Charity's reserves. At the time of setting the budget a very significant surplus was predicted for 2023/24. The Trustees were therefore willing to allow an unusually high deficit in the budget to facilitate the continued development of the Charity and its services. Deficits forecasted are:

<b>£'000s</b>	<b>2024/25 Budget</b>	<b>2025/26 Forecast</b>	<b>2026/27 Forecast</b>
Deficit	834k	1,007k	957k

The forecasts do not include planned increases in revenues from opening new shops and further recovery of income streams. The Hospice is investing its reserves in growing its current services and developing a more robust organisation. The forecast deficits take a very cautious approach. For example, they assume that we operate at full budgeted staffing levels.

### **6.3.5 Investment policy**

The Memorandum of Association empowers the Trustees to invest the monies of the Charity not immediately required for its purposes in or upon such investments, securities or property as may be thought fit. During 2022, Trustees transferred the investment funds to abrdn plc and later in the year transferred some cash balances to abrdn to attract higher interest rates. During the financial year abrdn was taken over by LGT Wealth Management UK LLP. The assets held are disclosed in note 17.

The primary objective of the investment portfolio is to provide capital growth over the medium term.

No funds have been added to or withdrawn from the investments for the last six years. Performance over this time is set out in the table below based on the portfolio market valuation at the relevant tax year end for 2019-2022 and financial year ends for 2023 and 2024.

<b>Year ending</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Value (£000's)	629	574	601	584	499	609
Annual Growth %	9.6	-4.5	2.9	17.0	-18.0	-1.5

## **7. Principal Risks and Uncertainties**

The Trustees have drawn up an assessment of key risks that they feel are important to consider in the management of the Charity. Risks come under one or more of seven domains (Welfare, Compliance, Finances, Fraud, Governance & Management, Operational, and Environmental & External). A structured methodology is in place for the assessment and management of risk. Static risks are usually reviewed annually, but dynamic risks are reviewed more frequently by the executive.

The principal risks and uncertainties faced by the Charity are:

- The effectiveness of the Integrated Care Board.
- Difficulty with recruitment and retention, particularly in retail.

- Difficulty in acquiring new, suitable retail premises.
- Lack of easily available evidence to demonstrate regulatory compliance. New software is being implemented to assist in collating evidence centrally and electronically.
- Overstretching of the managerial resource.

## **ADDITIONAL DISCLOSURES**

### **8. Structure, Governance and Management**

#### **8.1 How the Charity is Constituted**

Katharine House Hospice is a charity and company limited by guarantee. Its governing document is the Memorandum and Articles of Association of the company, which may be altered by a simple majority of voting members at an annual or extraordinary general meeting. This document was last amended on 28<sup>nd</sup> November 2023.

#### **8.2 Organisational Structure**

Katharine House Hospice has four wholly owned subsidiaries.

- Katharine House Retail Limited (Registered company number 03949314), operates eBay, house clearances, sales in prisons, new goods, and merchandising activities.
- KH Promotions Limited (Registered company number 03295776), operates the Charity's own society lottery which is now dormant.
- Embrace Quality Care Limited (Registered company number 08050417), operates a care agency and an application to strike off is pending.
- KHH Development Limited (Registered company number 08120430), is at present dormant and an application to strike off has been made.

Each subsidiary company of the Charity gift aids any profits it makes to the Charity.

Note 11 to the financial accounts summarises the performance of these companies; their accounts will be filed at Companies House.

#### **8.3 Decision-making Processes**

##### **8.3.1 Board of Trustees**

The Trustees (who are also directors of the company) act as a corporate entity through the Board of Trustees, which meets six times in each year. Additional meetings may be called from time to time. The Board oversees all strategic, tactical, and governance aspects of the Charity's operation and its future direction.



The Board delegates most of its functions to six committees, each with their own terms of reference. Governance is undertaken by each Trustee committee in their areas of responsibility, monitored by the Governance Committee and the Board of Trustees. These committees are:

1. Clinical
2. Income Generation and Engagement
3. Finance
4. Remuneration
5. People and Support Services
6. Governance

### **8.3.2 Management**

The day-to-day operation of the Charity is delegated through the annual budget setting process to the Chief Executive and through him to the management teams. 5 senior executives form the Executive Team, but a sixth will be added in 2024 with the expected appointment of a Director for People.

## **8.4 Trustees Appointment, Induction, and Support**

Recruitment of Trustees is overseen by the Governance Committee. Consideration is given to the knowledge and skills desired of new Trustees in relation to the current skills and attributes of existing Trustees, the skills that are deficient on the Board, and the need to plan for succession of Trustees who are due to stand down.

Following a shortlisting process candidates are invited to attend a meeting with two current Trustees. The full Board must approve any initial appointment. At the AGM immediately after appointment Trustees are formally elected and can serve for up to six years. Thereafter Trustees may stand for two further elections each for two year terms, but thereafter must stand down for a period of 11 months.

New Trustees receive a full induction and have a Trustee mentor who acts as a confidential advisor on Trustee issues. They have the option to spend time in key areas, for example, care and retail.

Training for Trustees is provided on an ad hoc basis. Safeguarding training was provided in May 2022 and updated in November 2023.

Every three years appraisals take place for Trustees and for the full Board.

## **9. Other Relevant or Required Disclosures**

### **9.1 Vital Volunteer Support**

Katharine House Hospice simply would not exist without the volunteers who were so heavily involved in the Charity's inaugural steering committee and we would not be able to provide the quality and variety of services we do without the ongoing passion, time and commitment of this amazing group of people who have continued to support the Charity.

At 31 March 2024 we had a total of 311 volunteers supporting the Charity (2023: 352). During the year 57 volunteers stopped volunteering (2023: 154). During the year volunteers are estimated to have provided 49,475 hours of support (2023: 38,612), which is a significant increase but remains considerably below pre-pandemic levels.

Our volunteers, who vary in age from young people on Duke of Edinburgh schemes to some over 80 years, bring with them a diverse set of life experience, passion and enthusiasm. We are immensely proud and appreciative of all of our volunteers and have large numbers who have completed and have been recognised for long service (in excess of 5 years). During 2023/24 52 of our volunteers were acknowledged for long service (2023: 52): including 3 for 30 years, 1 for 25 years, and 9 for 20 years of service.

## **9.2 Charity Governance Code**

The Trustees are aware of the new guidance issued by the Charity Commission and during the year have commenced a review of this guidance to identify appropriate actions to improve the governance of the Charity.

## **9.3 Relationships with Other Organisations**

Katharine House Hospice is an independent charity, but is affiliated to or has connections with a number of organisations. These are: the local council for voluntary services – Support Staffordshire; the National Association of Hospice Fundraisers; and Katharine House Hospice is a member of Hospice UK.

Katharine House Hospice's and Embrace Quality Care Limited's care services are regulated by and registered with the Care Quality Commission.

Katharine House has a number of shared posts with the University Hospitals of North Midlands NHS Trust.

The Charity is funded by NHS England to provide in-reach services to two local prisons and to support local care homes in the delivery of palliative and end of life care.

The Charity has developed a 24/7 advice line in partnership with Douglas Macmillan Hospice in Stoke, and Compton Care in Wolverhampton covering the Staffordshire and Stoke-on-Trent Integrated Care Board, in which Katharine House funds our partners for the provision of these services, which is the most cost effective way of delivering the service.

The Charity seeks to develop relationships with other providers and charities in the furtherance of its objectives.

## **9.4 Related Parties**

None of our Trustees receive remuneration or other benefit from their work with the Charity. There are a number of connected entities associated with Trustees and executives and these are disclosed in full in note 25 to the accounts.

A number of Trustees are employees of the University Hospitals of North Midlands Trust, whilst Katharine House jointly funds posts with, or contracts in services from, this trust.

Decisions in relation to these posts either pre-date the appointment of the Trustee or the Trustee has declared an interest in the decision and been absent when any such decisions have taken place. The relevant Trustees have taken no part in the contract negotiations.

## **9.5 Pay Policy for Senior Staff**

The Trustees and the executive management team comprise the key management personnel of the Charity responsible for directing, controlling, and operating the Charity on a day-to-day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses are disclosed in note 10 to the accounts and were nil (2023: Nil).

The pay of all staff is reviewed annually by the Remuneration Committee comprising Trustees and the Chief Executive and on an ad hoc basis as and when it is felt appropriate to adjust salaries. The Committee seeks to balance fairness and equity in the pay of staff for the roles performed, against affordability for the Charity. For positions where recruitment is more difficult higher wages may be offered. Certain groups of staff – in particular nursing and care staff – have structured pay scales that are broadly commensurate with similar roles in the NHS Agenda for Change pay scale.

The Chief Executive's pay is determined by Trustees at a full Board meeting.

The Remuneration Committee is empowered to award discretionary payments to staff for exceptional performance; however this is rare. No awards (excepting acting up allowances) were made in the year under review (2023: 0). No staff are on bonus schemes.

Staffing levels, redundancy costs, pensions and emoluments are detailed in notes 12, 13, 14, and 15 to the accounts.

## **9.6 Employment Policy**

Katharine House seeks to be an equal opportunities employer. The nature of some of the tasks required to be done in retail and care (the two largest employment sectors of the Charity) make it difficult to employ people with significant physical disabilities. All positions are open to people with a range of mental health issues. We do not record and maintain comprehensive data on employees with disabilities. Only when the organisation has a need to know do we keep such records, for example where we have a duty of care as an employer. We are therefore only able to report on the minimum numbers of people with disabilities known to us.

We provide a free and confidential advice line to all employees, but as this is confidential we have no data on levels of access.

We have a Mental Health Champion, who engages staff, managers, and volunteers.

The Charity is required to report its pay arrangements under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The following table provides a summary.

As at:	<u>April</u> <u>2024</u>	<u>April</u> <u>2023</u>	<u>April</u> <u>2022</u>	<u>April</u> <u>2021</u>	<u>April</u> <u>2020</u>	<u>April</u> <u>2019</u>
Mean gender pay gap	- 0.36	+ 7.56	- 0.14	- 3.78	- 12.17	- 13.46
Median gender pay gap	- 7.72	- 2.56	- 4.19	- 12.2	- 3.45	- 10.13

The mean gender pay gap has moved to an almost neutral position. The median gender pay gap is negative, showing the median pay for women is over 7.7% higher than for men.

## 10. Public Benefit Statement

All services provided by Katharine House Hospice are provided free of charge to patients and families; Trustees consider that all this activity is, in its entirety, charitable. In providing access to these services, the Trustees have sought to ensure that the only considerations are: the appropriateness of meeting the needs of each patient; the capacity to meet this need; and the safety and welfare of all patients.

Up to 31 March 2024, all services provided by Embrace Quality Care Ltd are deemed by the Trustees to be charitable in nature, but these services are provided for a fee, whether paid by the individual or by statutory authorities.

In making decisions in relation to the delivery of current services, the proposed development of new services, and the use of the Charity's funds, the Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

## 11. Reference and Administrative Details

<b><i>Charity Name:</i></b>	Katharine House Hospice
<b><i>Charity Registration:</i></b>	1011712
<b><i>Incorporation:</i></b>	Company Limited by Guarantee
<b><i>Company Number:</i></b>	02700516
<b><i>Date of Incorporation:</i></b>	25th March 1992
<b><i>Registered Office:</i></b>	Weston Road, Stafford, ST16 3SB

The Registered Office is also the principal address of the Charity

### **Trustees and Directors and Key Management Personnel:**

The Directors of the Charity are its Trustees for the purpose of charity law. The Trustees and Officers serving during the year and since the year end were as follows:

<b>Trustees:</b>	Mr P R Catchpole Chairman
	Dr M Bland
	Mrs A J Cape
	Mrs J C Clarke

	Dr Z Din	
	Mr F A Gaffney	
	Mr J R Harley	
	Mrs S J Harris	
	Dr R G M Hughes	
	Mr A P Jeffries	
	Mr S P Kirwan	
	Mr B W J Phillips	
	Mr A S Porter	
	Mr M R Smith	
	Ms J Woodyard	(term ended 28 November 2023)
<b>Company Secretary:</b>	Ms J Woodyard	(resigned 28 November 2023)
	Mr S P Kirwan	(appointed 28 November 2023)
<b>Registered Manager:</b>	Mr D Fletcher	
<b>Officers:</b>		
Director of Care:	Mr D Fletcher	
Medical Director:	Dr C Bruckner-Holt	
Chief Executive:	Dr R T Soulsby	
Deputy Chief Executive:	Miss L M Taylor	
Retail General Manager:	Mr S Dodd	
<b>Auditors / Accountants:</b>	<b>Crowe U.K. LLP</b>	
	Black Country House, Rounds Green Road, Oldbury, West Midlands B69 2DG	
<b>Investment Brokers:</b>	<b>LGT Wealth Management UK LLP</b>	
	Fourteen Cornhill, London, EC3V 3NR	
<b>Bankers:</b>	<b>Lloyds Bank Plc</b>	
	Market Square, Stafford, ST16 2JL	

## 12. Responsibilities in Relation to the Financial Statements

The Board of Trustees is required to prepare financial statements which give a true and fair view of the state of affairs of the Charity and Group at the end of the financial year and of the income and expenditure of the Charity and Group for the year ending on that date. In preparing those financial statements, the Board of Trustees is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board of Trustees is also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 2006. Trustees are also responsible for safeguarding the assets of the Charity and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015).

### **13. Statement as to Disclosure to our Auditors**

The Trustees will recommend to members the re-appointment of our present auditors Crowe U.K. LLP.

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report and Strategic Report:

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

### **14. Approval**

The Board of Trustees formally approved their Annual Report and, as Company Directors, approved the Strategic Report contained therein on 24<sup>th</sup> July 2024.

A handwritten signature in black ink, appearing to read 'Peter Catchpole', written in a cursive style.

Peter Catchpole  
Chairman, Katharine House Hospice

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF KATHARINE HOUSE HOSPICE

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#### Opinion

We have audited the financial statements of Katharine House Hospice (the “charitable company”) and its subsidiaries (the “Group”) for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the charitable company's affairs as at 31 March 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Trustee's 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' report, which includes the directors' report and the strategic 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 have 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 charitable company and their 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:

- the parent company has not kept adequate accounting records; or
- the parent company 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, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **Auditors' responsibilities for the audit of the financial statements**

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

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102) and the Companies Act. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The key laws and regulations we considered in this context were CQC regulations, Gambling Commission legislation, General Data Protection Regulation, health and safety legislation and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of grant and legacy income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Remuneration Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, income testing on a sample basis, reviewing accounting estimates for biases, reviewing any regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is available 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 our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Kerry Brown (Senior statutory auditor)**

for and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 07 October 2024

# Katharine House Hospice

## Consolidated Statement of Financial Activities Including Income and Expenditure Account

For the Year Ended 31 March 2024

	Note	Unrestricted £	Restricted £	2024 Totals £	Unrestricted £	Restricted £	2023 Totals £
<b>INCOME</b>							
Donations and legacies	( 3 )	2,235,875	81,843	2,317,718	1,801,340	169,901	1,971,241
Other trading activities	( 4 )	5,344,447	--	5,344,447	5,004,092	--	5,004,092
Charitable activities	( 5 )	1,539,932	145,658	1,685,590	1,512,154	90,403	1,602,557
Investments	( 6 )	177,044	--	177,044	22,435	--	22,435
Other income	( 7 )	23,277	533	23,810	19,874	90	19,964
<b>Total Income</b>		<b>9,320,575</b>	<b>228,034</b>	<b>9,548,609</b>	<b>8,359,895</b>	<b>260,394</b>	<b>8,620,289</b>
<b>EXPENDITURE</b>							
Raising funds	( 8 )	3,960,465	--	3,960,465	3,672,810	--	3,672,810
Charitable activities	( 8 )	4,029,505	223,102	4,252,607	3,355,814	305,268	3,661,082
Interest payable		--	--	--	--	--	--
<b>Total Expenditure</b>		<b>7,989,970</b>	<b>223,102</b>	<b>8,213,072</b>	<b>7,028,624</b>	<b>305,268</b>	<b>7,333,892</b>
Net gains/(losses) on investment assets		33,102	--	33,102	(33,773)	--	(33,773)
<b>Net income / (expenses) before provisions</b>		<b>1,363,707</b>	<b>4,932</b>	<b>1,368,639</b>	<b>1,297,498</b>	<b>(44,874)</b>	<b>1,252,624</b>
Provision for deferred tax liabilities		(5,969)	--	(5,969)	4,425	--	4,425
<b>Net Movement in Funds</b>		<b>1,357,738</b>	<b>4,932</b>	<b>1,362,670</b>	<b>1,301,923</b>	<b>(44,874)</b>	<b>1,257,049</b>
<b>RECONCILIATION OF FUNDS</b>							
Fund balances brought forward		8,219,217	99,730	8,318,947	6,917,294	144,604	7,061,898
<b>Fund Balances Carried Forward</b>	<b>( 23 )</b>	<b>9,576,955</b>	<b>104,662</b>	<b>9,681,617</b>	<b>8,219,217</b>	<b>99,730</b>	<b>8,318,947</b>

The consolidated statement of financial activities includes all gains and losses recognised in the year. All income and expenditure is derived from continuing activities.

The consolidated statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Hospice's accounts comprises a net surplus for 2024 of £1,362,670 (2023: surplus £945,417).

# Katharine House Hospice

## Consolidated Balance Sheet

At 31 March 2024

	Note	Unrestricted Funds £	Restricted Funds £	2024 Total Funds £	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £
<b>FIXED ASSETS</b>							
Tangible assets	( 16 )	2,884,457	--	2,884,457	1,923,070	--	1,923,070
Investments	( 17 )	629,515	--	629,515	575,011	--	575,011
		<b>3,513,972</b>	<b>--</b>	<b>3,513,972</b>	<b>2,498,081</b>	<b>--</b>	<b>2,498,081</b>
<b>CURRENT ASSETS</b>							
Debtors	( 18 )	686,723	--	686,723	1,372,723	--	1,372,723
Stock	( 19 )	1,186	--	1,186	3,196	--	3,196
Cash at bank and in hand		5,968,278	104,662	6,072,940	5,077,082	99,730	5,176,812
		<b>6,656,187</b>	<b>104,662</b>	<b>6,760,849</b>	<b>6,453,001</b>	<b>99,730</b>	<b>6,552,731</b>
<b>CREDITORS</b>	<b>( 20 )</b>	<b>(493,204)</b>	<b>--</b>	<b>(493,204)</b>	<b>(737,834)</b>	<b>--</b>	<b>(737,834)</b>
Amounts falling due within one year							
<b>NET CURRENT ASSETS</b>		<b>6,162,983</b>	<b>104,662</b>	<b>6,267,645</b>	<b>5,715,167</b>	<b>99,730</b>	<b>5,814,897</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>9,676,955</b>	<b>104,662</b>	<b>9,781,617</b>	<b>8,213,248</b>	<b>99,730</b>	<b>8,312,978</b>
<b>CREDITORS</b>	<b>( 20 )</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Amounts falling due after one year							
<b>PROVISIONS</b>	<b>( 22 )</b>	<b>(100,000)</b>	<b>--</b>	<b>(100,000)</b>	<b>5,969</b>	<b>--</b>	<b>5,969</b>
<b>TOTAL NET ASSETS</b>		<b>9,576,955</b>	<b>104,662</b>	<b>9,681,617</b>	<b>8,219,217</b>	<b>99,730</b>	<b>8,318,947</b>
<b>REPRESENTED BY:</b>							
Restricted funds	( 23 )	--	104,662	104,662	--	99,730	99,730
Designated funds	( 23 )	596,000	--	596,000	1,658,000	--	1,658,000
Unrestricted funds	( 23 )	8,980,955	--	8,980,955	6,561,217	--	6,561,217
		<b>9,576,955</b>	<b>104,662</b>	<b>9,681,617</b>	<b>8,219,217</b>	<b>99,730</b>	<b>8,318,947</b>

The Trustees acknowledge their responsibilities for complying with the requirements of the Charities Act with respect to accounting records and preparation of financial statements.

Approved by the Board of Trustees meeting on 24 July 2024 and signed on its behalf by:-

**B W J Phillips**  
Treasurer

**P R Catchpole**  
Chairman

# Katharine House Hospice

## Company Balance Sheet

At 31 March 2024

	Note	Unrestricted Funds £	Restricted Funds £	2024 Total Funds £	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £
<b>FIXED ASSETS</b>							
Tangible assets	( 16 )	2,884,457	--	2,884,457	1,923,070	--	1,923,070
Investments	( 17 )	629,515	--	629,515	575,011	--	575,011
Investment in Group	( 17 )	602	--	602	5,602	--	5,602
		<b>3,514,574</b>	<b>--</b>	<b>3,514,574</b>	<b>2,503,683</b>	<b>--</b>	<b>2,503,683</b>
<b>CURRENT ASSETS</b>							
Debtors	( 18 )	1,012,545	--	1,012,545	1,654,555	--	1,654,555
Cash at bank and in hand		5,562,348	104,662	5,667,010	4,712,720	99,730	4,812,450
		<b>6,574,893</b>	<b>104,662</b>	<b>6,679,555</b>	<b>6,367,275</b>	<b>99,730</b>	<b>6,467,005</b>
<b>CREDITORS</b>	<b>( 20 )</b>	<b>(412,512)</b>	<b>--</b>	<b>(412,512)</b>	<b>(651,741)</b>	<b>--</b>	<b>(651,741)</b>
Amounts falling due within one year							
<b>NET CURRENT ASSETS</b>		<b>6,162,381</b>	<b>104,662</b>	<b>6,267,043</b>	<b>5,715,534</b>	<b>99,730</b>	<b>5,815,264</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>9,676,955</b>	<b>104,662</b>	<b>9,781,617</b>	<b>8,219,217</b>	<b>99,730</b>	<b>8,318,947</b>
<b>CREDITORS</b>	<b>( 20 )</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Amounts falling due after one year							
<b>PROVISIONS</b>	<b>( 22 )</b>	<b>(100,000)</b>	<b>--</b>	<b>(100,000)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>TOTAL NET ASSETS</b>		<b>9,576,955</b>	<b>104,662</b>	<b>9,681,617</b>	<b>8,219,217</b>	<b>99,730</b>	<b>8,318,947</b>
<b>REPRESENTED BY:</b>							
Restricted funds	( 23 )	--	104,662	104,662	--	99,730	99,730
Designated funds	( 23 )	596,000	--	596,000	1,658,000	--	1,658,000
Unrestricted funds	( 23 )	8,980,955	--	8,980,955	6,561,217	--	6,561,217
		<b>9,576,955</b>	<b>104,662</b>	<b>9,681,617</b>	<b>8,219,217</b>	<b>99,730</b>	<b>8,318,947</b>

The Trustees acknowledge their responsibilities for complying with the requirements of the Charities Act with respect to accounting records and preparation of financial statements.

Approved by the Board of Trustees meeting on 24 July 2024 and signed on its behalf by:-

**B W J Phillips**  
Treasurer

**P R Catchpole**  
Chairman

# Katharine House Hospice

## Consolidated Statement of Cash Flow

At 31 March 2024

		2024 £	2023 £
<b>RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS</b>			
Net movement in funds		1,362,670	1,257,049
Net movement in provisions		105,969	(4,425)
Depreciation		147,338	133,422
(Gain) / loss on investment assets		(33,102)	33,773
Impairment of fixed asset investments		(5,000)	--
Income from fixed asset investment	<b>Note i</b>	(161,554)	(13,845)
Interest received	<b>Note i</b>	(15,490)	(8,590)
(Gain) / loss on disposal of fixed assets		(500)	22,696
Decrease / (increase) in debtors		686,000	(377,115)
Decrease / (increase) in stock		2,010	(2,991)
(Decrease) / increase in creditors		(244,630)	156,027
<b>Net cash inflow from operating activities</b>		<b>1,843,711</b>	<b>1,196,001</b>
<b>CASH FLOW STATEMENT</b>			
Net cash provided by operating activities		1,843,711	1,196,001
Returns on investments and servicing of finance	<b>Note i</b>	177,044	22,435
		2,020,755	1,218,436
Purchase of fixed assets	<b>Note i</b>	(1,127,880)	(202,212)
Financing	<b>Note i</b>	--	--
<b>Increase in cash</b>		<b>892,875</b>	<b>1,016,224</b>

# Katharine House Hospice

## Notes to the Consolidated Statement of Cash Flows

At 31 March 2024

### NOTE i TO THE CASH FLOW STATEMENT

	2024 £	2023 £
<b>Returns on investments and servicing of finance</b>		
Income from fixed asset investments in portfolio	32,152	13,845
Income from liquidity fund	129,402	--
<b>Total income from fixed asset investments</b>	161,554	13,845
Other interest received	15,490	8,590
Interest payable on loans	--	--
	177,044	22,435
<b>Sale and purchase of fixed assets</b>		
Purchase of tangible fixed assets	(1,108,725)	(341,597)
Sale proceeds of other fixed assets	500	288,300
Purchase of fixed asset investments	(20,455)	(584,842)
Proceeds of sale of fixed asset investments	800	435,927
	(1,127,880)	(202,212)

### NOTE ii TO THE CASH FLOW STATEMENT - Reconciliation of Net Cash Flow to Movement in Net Funds

Net cash inflow	892,875	1,016,224
Change in net funds in the year	892,875	1,016,224
Net funds at 1 April	5,180,804	4,164,580
<b>Net funds at 31 March</b>	<b>6,073,679</b>	<b>5,180,804</b>

### NOTE iii TO THE CASH FLOW STATEMENT - Analysis of changes in net funds

	As at 1 April 2023	Cash Flows	As at 31 March 2024
Cash in hand and at bank	5,176,812	896,128	6,072,940
Cash in fixed asset investments	3,992	(3,253)	739
<b>TOTAL</b>	<b>5,180,804</b>	<b>892,875</b>	<b>6,073,679</b>

### NOTE iv TO THE CASH FLOW STATEMENT - Analysis of Changes in Net Debt

	As at 1 April 2023	Cash Flows	As at 31 March 2024
Cash at hand and in bank	5,176,812	896,128	6,072,940
Cash in investments	3,992	(3,253)	739
<b>TOTAL</b>	<b>5,180,804</b>	<b>892,875</b>	<b>6,073,679</b>

**1. ACCOUNTING POLICIES**

**a) Basis of Accounting**

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Katharine House Hospice meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared by the Trustees to give a 'true and fair' view and on a going concern basis under the historical cost convention as modified by the revaluation of investments. The financial statements are prepared in sterling which is the functional currency of the Charity and rounded to the nearest pound. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**b) Going Concern**

The Charity reported a consolidated cash inflow of £892,875 for the year and has cash reserves of £6,072,940.

In March the Board approved a deficit budget for the period 2024/25 to 2026/27, these budgets have taken account that investments in services will be taken from the surpluses made in the last 3 years. Trustees consider that the levels of reserves are sufficient to ensure that the Hospice is a going concern in the middle term.

**c) Branch Accounting**

There exist a small number of support groups within the community, raising awareness about and funds to support the work of Katharine House Hospice. Under the SORP, Trustees consider these to be branches of Katharine House Hospice but consider the expense involved in accounting for these groups on a full accruals basis and auditing these accounts to be unwarranted in relation to the size of the funds generated.

**d) Income**

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. The Charity receives income from different sources: -

**i) Fundraising Income**

Fundraising income is income received as a result of time taken by fundraisers in organising fundraising events, soliciting donations and arranging for donations to be made to the Charity. Unsolicited gifts are classed as voluntary donations and are included in this section. Further details to this income are shown in note 3.

**ii) Legacy Income**

Legacies are treated as voluntary donations. Entitlement to legacy income is taken as the earlier of receipt or notification that a distribution will be made by the executor. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution.



**Notes to the Financial Statements  
For the Year Ended 31 March 2024  
(Continued)**

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**1. ACCOUNTING POLICIES (Cont.)**

**d) Income (cont.)**

**iii) Other Trading Income**

A breakdown of income is shown in note 4.

KH Promotions is a subsidiary company operating a society lottery, the operation of this lottery was transferred over to Local Hospice Lottery Ltd at the end of June 2022.

Historically KHH Development provided a management consultancy services to other charities but became dormant during the financial year 2022/23.

Katharine House Retail sold donated goods through E-bay sales and the prison outlets and any new goods sold through the shops. The company also acted as an agent for the selling of donated goods that are gift aided to the Hospice. In addition, the company operated a house clearance service. Donated goods refer to items donated to the Hospice for resale through the charity shops. The income from these items is recognised at the point of sale. Any stocks of donated goods held at the financial year end are not attributed a value as it is not practical or otherwise economical to do this.

**iv) Charitable Activities**

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Further details regarding statutory sector grant income received by the Charity are set out in note 5.

**v) Donated Goods**

Donated goods refer to items donated to the Hospice for resale through the charity shops. The income from these items is recognised at the point of sale. Any stocks of donated goods held at the financial year end is not attributed a value as it is not practical or otherwise economical to do this.

**vi) Investment Income**

Investment income includes dividends and interest on funds held on deposit. This income is included when receivable and the amount can be measured reliably by the Charity. Further details regarding investment income received by the Charity are set out in note 17.

**vii) Fees and Other Income**

The breakdown of this is shown in note 7. This includes miscellaneous which is other income charges for use of facilities and services.

**e) Donation of Assets**

Gifts of tangible assets are included in these accounts at an estimated valuation which approximates to cost. Donations are included in the income and expenditure account as such, and in the balance sheet under the appropriate headings.

**f) Expenditure and Irrecoverable VAT**

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

**Notes to the Financial Statements  
For the Year Ended 31 March 2024  
(Continued)**

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**1. ACCOUNTING POLICIES (Cont.)**

**f) Expenditure and Irrecoverable VAT (Cont.)**

**i) Costs of generating income**

These include the expenditure on operating the retail charity shops, fundraising to generate donations and to record and thank donors, the costs associated with managing the investment portfolio (including brokerage costs), and the costs involved in managing properties owned for investment purposes. The consolidated accounts detail the cost of carrying out subsidiary operations such as lotteries and additional retail activity, the surplus from these activities is donated to the Charity.

**ii) Expenditure on charitable activities**

Expenditure on charitable activities includes the expenditure incurred to operate the Hospice services, including the overheads of the Charity and the cost of governance.

**iii) Irrecoverable VAT**

Irrecoverable VAT is written off in the year it is recognised as such.

**g) Basis for the Allocation of Costs**

**i) Direct costs**

Where possible costs are charged directly to one of the primary services of the charity.

**ii) Support costs**

Support costs are those deemed to be essential to the operation of the Charity's primary purposes, for example catering and laundry, and are allocated on the basis of usage. These also include costs that cannot be charged directly to one primary service as they support all primary services, these are allocated either on the basis of usage where this can be easily determined or otherwise apportioned on the basis of total costs of services.

**iii) Overhead costs**

Overhead costs are those that support not only the primary services of the Charity but also other functions, including those of the subsidiary companies. These are allocated on the basis of fair usage of the relevant overhead or otherwise apportioned on the basis of cost. Overheads are allocated directly to primary services, governance, fundraising and subsidiary companies rather than allocating or apportioning costs to other support and overhead functions.

**h) Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost less depreciation. Capital items in excess of £5,000 are capitalised.

Depreciation is provided at rates calculated to write off the cost of fixed assets less their estimated residual value, over their expected useful lives on the following bases:-

Land	0%	
Freehold buildings	2%-4%	straight line basis
Refurbishments to leasehold buildings	7%	straight line basis
Leasehold buildings	10-33%	straight line basis
Equipment, furniture and vehicles	20%	straight line basis
General IT equipment	20-50%	straight line basis

**Notes to the Financial Statements  
For the Year Ended 31 March 2024  
(Continued)**

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**1. ACCOUNTING POLICIES (Cont.)**

**i) Investments**

Fixed asset investment in quoted shares, traded bonds and similar investments are valued initially at cost and subsequently at fair value (their market value) at year end. The same treatment is applied to unlisted investments unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

**j) Stock**

Stock is the value of Christmas card stocks held for sale stated at the lower of cost and net realisable value.

**k) Debtors**

Trade and other debtors are recognised at the settlement amount due after trade discounts have been applied. Subsequently they are measured at the cash or other consideration expected to be received. Prepayments are valued at the proportionate amount pre-paid relating to future accounting periods at the balance sheet date.

**l) Cash**

Cash at bank and cash in hand includes all operating cash held and immediately available for the Charity's use. In addition to this there is cash sitting within the investment portfolio.

**m) Creditors**

Creditors are recognised where the Charity has a present obligation arising from a past event that will probably result in a transfer of funds to a third party and the amount to be transferred can be reliably determined.

**n) Payments on Account**

Payments on account is income received but at the balance sheet date the Charity has no legal entitlement to the funds, in particular donor's money held by the retail company, which donors are yet to confirm may be donated to the Charity and lottery players who have paid in advance of future draws.

**o) Deferred Income**

Other grants are credited to the statement of financial activities as the related expenditure is incurred. Income received prior to an event which would be returnable if the event does not occur is deferred until the event has occurred.

**p) Pensions**

The Charity operates a number of employee pension schemes. Further details regarding the schemes operated are set out in note 15 of these accounts. Contributions payable for the year are charged in the income and expenditure account.

**q) Fund Accounting**

General Funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity. Designated funds are unrestricted funds of the Charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be used solely for particular areas of the Charity's work. Note 23 provides further explanation behind the restricted and designated funds.

**r) Method of Consolidation**

The financial statements consolidate the accounts of Katharine House Hospice and all its subsidiary undertakings using the acquisition method.

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2024**  
**(Continued)**

**s) Deferred Taxation**

Deferred tax is provided in full on timing differences which represents a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax is now provided on timing differences arising from accelerated capital allowances as in accordance with SORP (FRS 102). Deferred tax assets and liabilities are not discounted.

**t) Operating Leases**

Rental applicable to operating leases where substantially all of the benefit and risks of ownership remain with the lessor are charged to the income and expenditure account as incurred.

**u) Volunteers**

The Charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in the annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

**2. LEGAL STATUS OF THE CHARITY**

The Charity is registered with the Charity Commission in England and Wales (registered number 1011712) and is incorporated in England and Wales as a Company Limited by Guarantee and does not have share capital. Each member of the company has undertaken to contribute to the assets of the company in the event of it being wound up while s/he is a member, or within one year after s/he ceases to be a member, for payment of the debts and liabilities of the company contracted before s/he ceases to be a member such amount as may be required not exceeding £1. Each member pays a subscription fee annually. Income from membership is the annual subscription.

**3. DONATIONS AND LEGACIES INCOME**

Hospice & Group	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
<b>Income Sources</b>						
Donations from society lottery	296,365	--	296,365	236,805	--	236,805
Other donations	663,658	9,639	673,297	543,502	32,835	576,337
Trusts and grant giving bodies	40,266	72,010	112,276	48,480	87,066	135,546
Gift aid on donations	71,415	--	71,415	73,147	--	73,147
Legacies	1,162,933	194	1,163,127	898,506	50,000	948,506
Other sources	1,238	--	1,238	900	--	900
	<b>2,235,875</b>	<b>81,843</b>	<b>2,317,718</b>	<b>1,801,340</b>	<b>169,901</b>	<b>1,971,241</b>

The Hospice recognises the residual benefit of three estates as at 31.03.24, which the value outstanding has been approximately valued at £397k. The residual payment of one of these estates are expected in within 2 years' time. The third estate consisted of two trusts which had a life interest, one of which was realised in 2021, the date of realisation of the other fund is not known. In addition to the three estates there is approximately £570k legacies which have been notified to the charity before 31/03/24, but have not been recognised as income in the year as they do not meet the Hospice's income recognition criteria.

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2024**  
**(Continued)**

**4. INCOME FROM OTHER TRADING ACTIVITIES**

	2024			2023		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
<b>Hospice</b>						
KH Promotions Ltd	--	--	--	65,005	--	65,005
KH Retail Ltd	51,791	--	51,791	87,433	--	87,433
Sale of Donated Goods	4,625,113	--	4,625,113	4,289,306	--	4,289,306
Gift Aid on Sale of Goods	325,297	--	325,297	286,090	--	286,090
Fundraising Events	88,197	--	88,197	51,540	--	51,540
	<b>5,090,398</b>	<b>--</b>	<b>5,090,398</b>	<b>4,779,374</b>	<b>--</b>	<b>4,779,374</b>
<b>Group</b>						
KH Promotions Ltd	--	--	--	112,320	--	112,320
KH Retail Ltd	305,840	--	305,840	264,836	--	264,836
Sale of Donated Goods	4,625,113	--	4,625,113	4,289,306	--	4,289,306
Gift Aid on Sale of Goods	325,297	--	325,297	286,090	--	286,090
Fundraising Events	88,197	--	88,197	51,540	--	51,540
	<b>5,344,447</b>	<b>--</b>	<b>5,344,447</b>	<b>5,004,092</b>	<b>--</b>	<b>5,004,092</b>

**5. INCOME FROM CHARITABLE ACTIVITIES**

Income from charitable activities incorporates receipts of income from statutory agencies, whether as grants or contracts and fees received for the provision of the Charity's services. Trustees are pleased to report that the Integrated Care Board have continued commitments to fund the Hospice's work.

	2024			2023		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
<b>Hospice</b>						
<b>Integrated Care Board</b>						
Grants	(a) 1,224,257	--	1,224,257	1,176,458	--	1,176,458
Contracts	(b) --	--	--	--	47,797	47,797
Pension Rebate	(c) --	26,591	26,591	--	26,591	26,591
<b>NHS England</b>						
Capacity Grant	(d) --	--	--	--	915	915
Prison Services Contract	(e) --	16,073	16,073	--	8,860	8,860
Specific contract income	(f) --	86,873	86,873	--	--	--
Stafford Borough Council	(g) 3,500	--	3,500	3,500	--	3,500
Other Fee Income	(h) 1,499	16,121	17,620	--	6,240	6,240
<b>Income from Charitable Activities</b>	<b>1,229,256</b>	<b>145,658</b>	<b>1,374,914</b>	<b>1,179,958</b>	<b>90,403</b>	<b>1,270,361</b>
<b>Group</b>						
Hospice - as above	1,229,256	145,658	1,374,914	1,179,958	90,403	1,270,361
Embrace Quality Care	310,676	--	310,676	332,196	--	332,196
<b>Group Income from Charitable Activities</b>	<b>1,539,932</b>	<b>145,658</b>	<b>1,685,590</b>	<b>1,512,154</b>	<b>90,403</b>	<b>1,602,557</b>

## Katharine House Hospice

### Notes to the Financial Statements For the Year Ended 31 March 2024 (Continued)

#### 5. INCOME FROM CHARITABLE ACTIVITIES (Cont.)

- (a) A one year recurring conditional grant the value of which is derived annually.
- (b) A one year recurring restricted grant.
- (c) The Hospice is in receipt of an annual rebate from the Department of Health, paid through the Integrated Care Board (ICB), to cover the increased costs to the employer of the NHS pension scheme.
- (d) The NHSE awarded funding to allow the Hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the COVID-19 situation. In 2022/23 this was an adjustment to a previous year's accrual.
- (e) A contract with NHS England for the provision of in-reach services to HMP Stafford and HMP YOI Drake Hall for prisoners at end of life.
- (f) Staffordshire and Stoke-on-Trent payments for named patients who received services delivered by the Hospice beyond the intentions of the primary grant.
- (g) A one year recurring service level agreement.
- (h) The main object of the Charity is to provide home care, day care and inpatient care to people in mid-Staffordshire in need of specialist palliative care. The Charity makes no charge for the provision of these services. A subsidiary object is to provide training, education and other resources for those involved in the provision of specialist palliative care services. To this end medical and nursing students from universities have paid placements at the Hospice.

In addition, the Hospice has received non-recurring grants from local councils for specific objectives, as described below.

	2024	2023
	£	£
Cannock Wood Parish Council for IPU service	--	500
Cannock Wood Parish Council for Hospice At Home service	250	--
Eccleshall Wood Parish Council for Therapy & Wellbeing Centre	--	200
Eccleshall Wood Parish Council for Lymphoedema equipment	500	--
Gnosall Parish Council for Therapy & Wellbeing Centre	--	200
SCC local community fund for Therapy & Wellbeing Centre	--	2,625

#### 6. INVESTMENT INCOME

All investment income is unrestricted and comprises:

	Company		Group	
	2024	2023	2024	2023
	£	£	£	£
Bank interest	15,490	8,576	15,490	8,590
Interest from investments	18,080	5	18,080	5
Dividends from portfolio	20,465	13,840	20,465	13,840
Dividends from liquidity fund	111,322	--	111,322	--
Misc income from liquidity fund	11,687	--	11,687	--
	<b>177,044</b>	<b>22,421</b>	<b>177,044</b>	<b>22,435</b>

Notes to the Financial Statements  
For the Year Ended 31 March 2024  
(Continued)

7. OTHER INCOME

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
<b>Hospice</b>						
Miscellaneous	23,277	533	23,810	19,874	90	19,964
	<u>23,277</u>	<u>533</u>	<u>23,810</u>	<u>19,874</u>	<u>90</u>	<u>19,964</u>
 <b>Group</b>						
Miscellaneous	23,277	533	23,810	19,874	90	19,964
	<u>23,277</u>	<u>533</u>	<u>23,810</u>	<u>19,874</u>	<u>90</u>	<u>19,964</u>

# Katharine House Hospice

## Notes to the Financial Statements For the Year Ended 31 March 2024 (Continued)

### 8. EXPENSE ANALYSIS

	Note	Direct Staff £	Other Costs Direct £	Depreciation £	Allocated Support Costs £	2024 Total £	Direct Staff £	Other Costs Direct £	Depreciation £	Allocated Support Costs £	2023 Total £
<b>COSTS OF RAISING FUNDS</b>											
<b>Hospice</b>											
Fundraising		186,879	39,174	1,796	66,820	294,669	191,126	18,881	1,562	63,776	275,345
Other trading activities		1,945,613	1,151,019	63,835	253,163	3,413,630	1,798,673	1,039,012	55,239	269,361	3,162,285
Investment management fees		--	4,086	--	--	4,086	--	6,023	--	--	6,023
(a)		<u>2,132,492</u>	<u>1,194,279</u>	<u>65,631</u>	<u>319,983</u>	<u>3,712,385</u>	<u>1,989,799</u>	<u>1,063,916</u>	<u>56,801</u>	<u>333,137</u>	<u>3,443,653</u>
<b>Group</b>											
Fundraising		186,879	39,174	1,796	66,820	294,669	191,126	18,881	1,562	63,776	275,345
Other trading activities		2,054,778	1,309,724	63,835	233,373	3,661,710	1,876,493	1,222,333	63,039	229,577	3,391,442
Investment management fees		--	4,086	--	--	4,086	--	6,023	--	--	6,023
(a)		<u>2,241,657</u>	<u>1,352,984</u>	<u>65,631</u>	<u>300,193</u>	<u>3,960,465</u>	<u>2,067,619</u>	<u>1,247,237</u>	<u>64,601</u>	<u>293,353</u>	<u>3,672,810</u>
<b>COSTS OF CHARITABLE ACTIVITIES</b>											
<b>Hospice</b>											
Patient care	(b)	2,625,621	637,666	69,268	352,324	3,684,879	2,296,511	472,174	61,212	353,754	3,183,651
Governance	(a)	84,284	17,376	--	50,244	151,904	78,621	18,302	--	41,975	138,898
		<u>2,709,905</u>	<u>655,042</u>	<u>69,268</u>	<u>402,568</u>	<u>3,836,783</u>	<u>2,375,132</u>	<u>490,476</u>	<u>61,212</u>	<u>395,729</u>	<u>3,322,549</u>
<b>Group</b>											
Patient care	(b)	3,002,559	676,552	69,268	352,324	4,100,703	2,597,714	509,504	61,212	353,754	3,522,184
Governance	(a)	84,284	17,376	--	50,244	151,904	78,621	18,302	--	41,975	138,898
		<u>3,086,843</u>	<u>693,928</u>	<u>69,268</u>	<u>402,568</u>	<u>4,252,607</u>	<u>2,676,335</u>	<u>527,806</u>	<u>61,212</u>	<u>395,729</u>	<u>3,661,082</u>

#### ANALYSIS OF EXPENSES BETWEEN FUNDS

(a) All expenses incurred in raising funds and governance are taken from unrestricted or designated funds

(b) Patient care expenses are analysed between unrestricted/designated funds and restricted funds as follows:

	<b>Hospice</b>		<b>Group</b>	
	2024 £	2023 £	2024 £	2023 £
Unrestricted/designated	3,613,681	3,017,281	4,029,505	3,355,814
Restricted	223,102	305,268	223,102	305,268
	<u>3,836,783</u>	<u>3,322,549</u>	<u>4,252,607</u>	<u>3,661,082</u>



**Notes to the Financial Statements**  
**For the Year Ended 31 March 2024**  
**(Continued)**

**9. ALLOCATED SUPPORT COST EXPENSE ANALYSIS**

	Staff Costs £	Other Costs £	Deprec- iation £	2024 Total £	Staff Costs £	Other Costs £	Deprec- iation £	2023 Total £
Support functions	449,731	260,378	12,440	<b>722,549</b>	432,094	289,161	7,611	<b>728,866</b>
	<b>449,731</b>	<b>260,378</b>	<b>12,440</b>	<b>722,549</b>	<b>432,094</b>	<b>289,161</b>	<b>7,611</b>	<b>728,866</b>

**Allocations to:**

Patient Care	352,322	353,754
Governance	50,244	41,975
Fundraising	66,820	63,776
Sale of donated goods	253,163	269,361
	<b>722,549</b>	<b>728,866</b>

**10. NET INCOME**

Net income is stated after charging the following items to the Income and Expenditure Account.

	<b>Hospice</b>		<b>Group</b>	
	2024 £	2023 £	2024 £	2023 £
Auditor's remuneration	16,600	17,300	17,860	18,560
Depreciation of tangible fixed assets	147,338	125,622	147,338	133,422
Loss/(profit) on disposal of fixed assets	--	23,697	(500)	22,696
Operating lease rentals	327,208	342,617	327,208	342,617
Payments to Trustees	--	--	--	--
Trustee indemnity insurance	1,987	1,642	1,987	1,642

**11. TRADING SUBSIDIARIES**

Katharine House has 4 subsidiary trading companies

KH Promotions Limited 03295776 ran a society lottery on behalf of the Charity. This lottery operation was transferred in June 2022 to a third party - Local Hospice Lottery. The Local Hospice Lottery splits out the funds to various charities in the form of donations of which are received within the Hospice's accounts

Katharine House Retail Limited 03949314 carries out trading activity, including eBay, house clearances, collection and delivery services

Embrace Quality Care Limited 08050417 is a care agency meeting the core objectives of the Charity, but charging for its services. This company ceased trading in March 2024 and an application to strike off is pending.

KHH Development Limited 08120430 provided administrative and financial support to other charities. This became dormant at the beginning of 2021/22 and an application to strike off is pending.

A summary of the results of the subsidiary companies of the Charity are set out in this note. Accounts have been approved by the directors of these companies and will be filed with the Registrar of Companies.

Notes to the Financial Statements  
For the Year Ended 31 March 2024  
(Continued)

## 11. TRADING SUBSIDIARIES (Cont.)

	KH Promotions Ltd		KH Retail Ltd	
	2024	2023	2024	2023
	£	£	£	£
Turnover (including HMRC Job Retention Scheme)	--	112,320	305,840	264,836
Direct operating costs	--	(47,329)	(267,870)	(221,612)
Net recharges to/(from) Katharine House Hospice	--	--	19,790	39,784
Gross Profit	--	<b>64,991</b>	<b>57,760</b>	<b>83,008</b>
Interest receivable	--	14	--	--
Taxation	--	--	(5,969)	4,425
Net profit before Gift Aid	--	<b>65,005</b>	<b>51,791</b>	<b>87,433</b>
Distribution under Gift Aid to Katharine House	--	(65,005)	(51,791)	(87,433)
Retained in subsidiary undertaking	--	--	--	--
Retained earnings brought forward	--	--	--	--
Retained earnings carried forward	--	--	--	--

The aggregate of the assets, liabilities and funds at 31 March was:

Fixed assets	--	--	--	--
Current assets	65,331	65,579	318,009	325,490
Current liabilities	(65,231)	(65,479)	(318,007)	(325,488)
<b>Total assets</b>	<b>100</b>	<b>100</b>	<b>2</b>	<b>2</b>
Share capital	100	100	2	2
Funds	100	100	2	2

	Embrace Quality Care Ltd		KHH Development Ltd	
	2024	2023	2024	2023
	£	£	£	£
Turnover (including HMRC JRS & Misc Income)	310,676	332,196	--	--
Direct operating costs	(415,824)	(338,533)	--	--
Retained in subsidiary undertaking	<b>(105,148)</b>	<b>(6,337)</b>	--	--
Retained earnings brought forward	(317,969)	(311,632)	--	--
Retained earnings carried forward	<b>(423,117)</b>	<b>(317,969)</b>	--	--

The aggregate of the assets, liabilities and funds at 31 March was:

Current assets	10,190	48,269	500	500
Current liabilities	(428,307)	(361,238)	--	--
<b>Total assets</b>	<b>(418,117)</b>	<b>(312,969)</b>	<b>500</b>	<b>500</b>
Share capital	5,000	5,000	500	500
Retained earnings	(423,117)	(317,969)	--	--
Funds	<b>(418,117)</b>	<b>(312,969)</b>	<b>500</b>	<b>500</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2024**  
**(Continued)**

**12. EMPLOYEE NUMBERS AND COSTS**

The number of staff and whole time equivalents employed by the Charity, analysed by function was:

Company	2024		2023	
	Average Employees	Whole time Equivalent	Average Employees	Whole time Equivalent
Care services	75	55.63	71	50.64
Support and overheads	36	24.44	36	24.72
Income generation	114	73.28	117	73.39
	<u>225</u>	<u>153.35</u>	<u>224</u>	<u>148.75</u>

  

Group	2024		2023	
	Average Employees	Whole time Equivalent	Average Employees	Whole time Equivalent
Care services	94	71.01	88	65.70
Support and overheads	36	24.44	36	24.72
Income generation	119	78.28	122	78.71
	<u>249</u>	<u>173.73</u>	<u>246</u>	<u>169.13</u>

The costs of employment were:

	Company		Group	
	2024 £	2023 £	2024 £	2023 £
Salary	4,665,764	4,235,713	5,109,459	4,584,055
National Insurance	374,818	337,922	404,423	359,638
Pension	251,548	223,390	264,351	232,354
	<u>5,292,130</u>	<u>4,797,025</u>	<u>5,778,233</u>	<u>5,176,047</u>
Bought-in staff	201,165	149,743	201,165	149,743
	<u>5,493,295</u>	<u>4,946,768</u>	<u>5,979,398</u>	<u>5,325,790</u>

**13. REDUNDANCY COSTS**

The Group made statutory redundancy payments amounting to £9,607 (2023: £NIL) with respect to 4 cases (2023: no individual cases). These redundancies all pertained to the closure of Embrace Quality Care Ltd.

**14. EMOLUMENTS**

The number of staff whose emoluments during the year exceeded £60,000 was:

	Company		Group	
	2024	2023	2024	2023
£60,001 - £70,000	0	1	0	0
£70,001 - £80,000	0	0	0	0
£80,001 - £90,000	2	1	2	1

The gross cost of the Executive Team responsible for running the group of companies (including all emoluments, employer's national insurance contributions, and employer's pension contributions was £379,940 (2023: £389,478). There were 4 employees and 1 non-employee on the team (2023: 5 employees and 1 non-employee on the team until the end of January 2023 and 4 employees and 1 non-employee thereafter).

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2024**  
**(Continued)**

**15. PENSIONS**

The Hospice makes provision for employees' pensions in accordance with the Memorandum of Association and its legal obligations. The Hospice does not operate its own pension scheme, but contributes to schemes as follows:

**a) NHS Defined Benefit Scheme**

Employees who are members of the NHS pension scheme, if eligible, may continue to contribute to this scheme. Employer contributions are 14.38%. Employee contributions range from 5% to 13.5% dependent upon the level of their notional full-time pensionable pay. This scheme is an unfunded defined benefit scheme that covers NHS employees, General Practitioners and other bodies allowed under the direction of the Secretary of State in England and Wales. The scheme is managed in a manner that does not make it practical for the Hospice to ascertain its share of the assets and liabilities under the scheme and the scheme is therefore treated in the accounts as if it were a defined contribution scheme, with the cost being taken as the contributions payable during the accounting period.

**b) Standard Life Group/Stakeholder Pension Scheme**

The Charity, in response to the Stakeholder Pension Schemes Regulations 2000, opened a scheme in the year 2000 for eligible employees to join the Standard Life Group Pension Scheme. The Charity matches employee contributions up to 7%. From 1 April 2015 Standard Life closed this scheme and it is not available to new employees. This scheme is a defined contribution scheme.

**c) National Employment Savings Trust (NEST)**

Eligible employees who are not in either of the two schemes above are automatically enrolled into the NEST scheme. The automatic enrolment is done at the statutory minimum (at present 5% for employers) but employees can increase their contributions and the Charity will match these up to 7%. This is a defined contribution scheme.

Numbers of staff and contributions to the different schemes are:

Company	2024		2023	
	Average Number	Employer Contribution £	Average Number	Employer Contribution £
NHS	21	97,771	21	87,540
Standard Life	12	36,280	13	38,206
NEST	165	117,497	158	97,644
	<b>198</b>	<b>251,548</b>	<b>192</b>	<b>223,390</b>
<b>Group</b>				
NHS	21	97,771	21	87,540
Standard Life	12	36,280	13	38,206
NEST	186	130,300	177	106,608
	<b>219</b>	<b>264,351</b>	<b>211</b>	<b>232,354</b>

Notes to the Financial Statements  
For the Year Ended 31 March 2024  
(Continued)

## 16. TANGIBLE FIXED ASSETS

COMPANY	Long Leasehold Land and Buildings £	Equipment, Furniture and Fixtures £	IT Equipment and Software £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 April 2023	2,584,333	410,158	187,296	103,093	3,284,880
Additions	1,083,117	8,913	6,703	9,992	1,108,725
Disposals	--	(17,320)	(73,231)	--	(90,551)
At 31 March 2024	<u>3,667,450</u>	<u>401,751</u>	<u>120,768</u>	<u>113,085</u>	<u>4,303,054</u>
<b>Depreciation</b>					
At 1 April 2023	854,814	327,830	146,681	32,485	1,361,810
Charge for the year	83,892	30,436	13,592	19,418	147,338
Disposals	--	(17,320)	(73,231)	--	(90,551)
At 31 March 2024	<u>938,706</u>	<u>340,946</u>	<u>87,042</u>	<u>51,903</u>	<u>1,418,597</u>
<b>Net Book Value</b>					
At 31 March 2024	<u>2,728,744</u>	<u>60,805</u>	<u>33,726</u>	<u>61,182</u>	<u>2,884,457</u>
At 1 April 2023	<u>1,729,519</u>	<u>82,328</u>	<u>40,615</u>	<u>70,608</u>	<u>1,923,070</u>
<b>GROUP</b>					
<b>Cost</b>					
At 1 April 2023	2,638,255	410,158	187,296	201,188	3,436,897
Additions	1,083,117	8,913	6,703	9,992	1,108,725
Disposals	(30,720)	(17,320)	(73,231)	(7,095)	(128,366)
At 31 March 2024	<u>3,690,652</u>	<u>401,751</u>	<u>120,768</u>	<u>204,085</u>	<u>4,417,256</u>
<b>Depreciation</b>					
At 1 April 2023	908,736	327,830	146,681	130,580	1,513,827
Charge for the year	83,892	30,436	13,592	19,418	147,338
Disposals	(30,720)	(17,320)	(73,231)	(7,095)	(128,366)
At 31 March 2024	<u>961,908</u>	<u>340,946</u>	<u>87,042</u>	<u>142,903</u>	<u>1,532,799</u>
<b>Net Book Value</b>					
At 31 March 2024	<u>2,728,744</u>	<u>60,805</u>	<u>33,726</u>	<u>61,182</u>	<u>2,884,457</u>
At 1 April 2023	<u>1,729,519</u>	<u>82,328</u>	<u>40,615</u>	<u>70,608</u>	<u>1,923,070</u>



**Notes to the Financial Statements**  
**For the Year Ended 31 March 2024**  
**(Continued)**

**17. FIXED ASSETS INVESTMENT – Company and Group**

	2024 £	2023 £
At 31 March investments were held as:		
abrdn balanced bridge fund	628,776	571,019
<b>Total invested funds</b>	<b>628,776</b>	<b>571,019</b>
Cash held for investment	739	3,992
<b>Total funds in Investment portfolio</b>	<b>629,515</b>	<b>575,011</b>
	2024 £	2023 £
<b>Listed investments</b>		
Market value at 31 March	571,019	455,877
Less Disposals at opening book value (proceeds £800)	(811)	(454,977)
Add acquisitions at cost	20,455	584,842
Net gain/(loss) on revaluation at 31 March	38,113	(14,723)
<b>Market value at 31 March of listed investments</b>	<b>628,776</b>	<b>571,019</b>
<b>Historical cost at 31 March</b>	<b>604,486</b>	<b>584,842</b>

All investments are held in unrestricted funds. The net gains and losses on revaluation are based on the market value of investment provided by LGT Wealth Management UK LLP who manage the fund on behalf of the Trustees.

**FIXED ASSET INVESTMENT - Company**

The Company's investments at the balance sheet date in the share capital of unlisted companies which are registered in the UK comprising:

	Company registration no.	% of shareholding held by KH Hospice	2024 £	2023 £
KH Promotions Limited	03295776	100%	100	100
Katharine House Retail Limited	03949314	100%	2	2
Embrace Quality Care Limited	08050417	100%	--	5,000
KHH Development Limited	08120430	100%	500	500
			<b>602</b>	<b>5,602</b>

All investments are valued at cost except Embrace Quality Care Limited which is at fair value as at year end. Results for the year are shown in note 11 and are included in the consolidated accounts.

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2024**  
**(Continued)**

**18. DEBTORS**

	Company		Group	
	2024	2023	2024	2023
	£	£	£	£
Intercompany accounts	359,029	353,612	--	--
Trade debtors	63,532	669,518	68,488	713,763
NHS pharmaceutical supplies	5,430	11,080	5,430	11,080
HMRC - tax and social security	210,467	210,528	210,467	210,528
Other debtors	5,155	6,869	33,406	34,404
Accrued legacy income	200,102	248,091	200,102	248,091
Prepayments	164,955	150,982	164,955	150,982
Deposits provided	3,875	3,875	3,875	3,875
	<u>1,012,545</u>	<u>1,654,555</u>	<u>686,723</u>	<u>1,372,723</u>

The intercompany accounts are the balance of funds to be transferred to the Hospice in respect of Gift Aid payments for the year. The balances are payable on demand. In view of the nature of the balances, interest is not charged by the Hospice on the outstanding amounts, nor has it taken security for the balances.

**19. STOCK**

	Company		Group	
	2024	2023	2024	2023
	£	£	£	£
Bought in goods	<u>--</u>	<u>--</u>	<u>1,186</u>	<u>3,196</u>

**20. CREDITORS****Amounts due in under one year**

		Company		Group	
		2024	2023	2024	2023
	Note	£	£	£	£
Payments on account		--	--	53,126	53,552
Trade creditors		125,498	229,173	142,908	255,158
HMRC		70,140	144,896	70,140	145,676
Accruals		197,955	201,430	203,226	204,863
Deferred income	( 21 )	13,839	40,519	13,839	40,519
Other creditors		5,080	35,723	9,965	38,066
		<u>412,512</u>	<u>651,741</u>	<u>493,204</u>	<u>737,834</u>

**Amounts due after one year**

	Company		Group	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2024**  
**(Continued)**

**21. DEFERRED INCOME**

Income deferred in accordance with FRS 102 and included in accruals and deferred income was:

<b>For 2024</b>	<b>Balance at 1 April £</b>	<b>Released £</b>	<b>Deferred £</b>	<b>Balance at 31 March £</b>
Refundable event income	40,519	40,519	13,631	13,631
	<u>40,519</u>	<u>40,519</u>	<u>13,631</u>	<u>13,631</u>
<b>For 2023</b>	<b>Balance at 1 April £</b>	<b>Released £</b>	<b>Deferred £</b>	<b>Balance at 31 March £</b>
Refundable event income	12,301	12,301	40,519	40,519
Marketing Income	5,000	5,000	--	--
	<u>17,301</u>	<u>17,301</u>	<u>40,519</u>	<u>40,519</u>

**22. PROVISIONS**

	<b>Company</b>		<b>Group</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred tax liabilities provision	--	--	--	(5,969)
Dilapidation provision	100,000	--	100,000	--
	<u>100,000</u>	<u>--</u>	<u>100,000</u>	<u>(5,969)</u>

**23. FUNDS****Unrestricted Funds - Designated and General Funds**

General funds are freely available for the Trustees to apply for its charitable purposes, but include fixed assets that are not expendable. The Trustees have established ten designated reserves from within the free and unrestricted funds available. The primary purpose of these funds is to assist the Charity in managing its reserves and financial risks, particularly in the light of known future commitments, unexpected failure of income and larger one-off items of expenditure.

The refurbishment of the Therapy and Wellbeing Centre was completed in the first quarter of 2023-24 alongside the renovation of one of the retail properties. Both properties are owned by the Hospice.

The refurbishment fund is relating to a small number of retail shops requiring refurbishment during 2023-24.

It is recognised there is a liability for dilapidations costs relating to retail premises.

The training and development fund ensures that existing commitments to staff development can be funded. This has been increased due to an additional need for clinical training and also learning and development support being out-sourced.

There are plans in place to replace the current clinical system due to its impending obsolescence.



# Katharine House Hospice

## Notes to the Financial Statements For the Year Ended 31 March 2024 (Continued)

### 23. FUNDS (Cont.)

#### COMPANY

For the Year Ended 31 March 2024

Funds	Opening Fund Value £	Income £	Expenditure £	Investment Gains / (Losses) and Provisions £	Transfer from / (to) General Fund £	Closing Fund Value £
<b>General Fund</b>	<b>6,561,217</b>	<b>8,755,850</b>	<b>(5,995,148)</b>	<b>(72,046)</b>	<b>(268,918)</b>	<b>8,980,955</b>
<b>Designated Funds</b>						
Implementation of new clinical system	25,000	--	--	--	105,000	130,000
Renewal of IT	30,000	--	(20,265)	--	15,265	25,000
Training and Development	66,000	--	(40,070)	--	10,070	36,000
Renovation/Refurbishment Therapy	55,000	--	(28,124)	--	(26,876)	--
Norton Bridge Renovation	--	--	(5,965)	--	20,965	15,000
Replacement of Telephone Equipment	7,000	--	(6,703)	--	(297)	--
Repairs and Renewals	75,000	--	(225,804)	--	210,804	60,000
Retail premises dilapidations	100,000	--	--	--	(100,000)	--
Acquisition & Refurbishment of Property	1,300,000	--	(1,003,987)	--	33,987	330,000
	<u>1,658,000</u>	<u>--</u>	<u>(1,330,918)</u>	<u>--</u>	<u>268,918</u>	<u>596,000</u>
<b>Restricted Funds</b>						
Capital and Equipment Funds	55,043	49,875	(59,294)	--	--	45,624
NHSE Capacity Funding	--	--	--	--	--	--
Service Funds	13,805	159,689	(160,890)	--	--	12,604
Other Restricted Funds	30,882	18,470	(2,918)	--	--	46,434
	<u>99,730</u>	<u>228,034</u>	<u>(223,102)</u>	<u>--</u>	<u>--</u>	<u>104,662</u>
	<u>8,318,947</u>	<u>8,983,884</u>	<u>(7,549,168)</u>	<u>(72,046)</u>	<u>--</u>	<u>9,681,617</u>

For the Year Ended 31 March 2023

Funds	Opening Fund Value £	Income £	Expenditure £	Investment Gains / (Losses) and Provisions £	Transfer from / (to) General Fund £	Closing Fund Value £
<b>General Fund</b>	<b>5,613,926</b>	<b>6,904,461</b>	<b>(6,142,875)</b>	<b>(351,742)</b>	<b>537,447</b>	<b>6,561,217</b>
<b>Designated Funds</b>						
Renovation/Refurbishment Therapy	250,000	--	(194,744)	--	(256)	55,000
Norton Bridge Renovation	70,000	--	(63,832)	--	(6,168)	--
Refurbishment of retail premises	--	--	--	--	75,000	75,000
Provn for dilapidations retail premises	--	--	--	--	100,000	100,000
Acquisition & Refurbishment of Property	1,100,000	--	--	--	200,000	1,300,000
Renewal of IT	65,000	--	(47,597)	--	12,597	30,000
Training and Development	10,000	--	(11,886)	--	67,886	66,000
Replacement of clinical system	--	--	--	--	25,000	25,000
Replacement of telephone system	--	--	--	--	7,000	7,000
Legacy Equalisation	120,000	898,506	--	--	(1,018,506)	--
	<u>1,615,000</u>	<u>898,506</u>	<u>(318,059)</u>	<u>--</u>	<u>(537,447)</u>	<u>1,658,000</u>
<b>Restricted Funds</b>						
Capital and Equipment Funds	102,542	145,792	(193,291)	--	--	55,043
NHSE Capacity Funding	--	915	(915)	--	--	--
Service Funds	14,012	105,222	(105,429)	--	--	13,805
Other Restricted Funds	28,050	8,465	(5,633)	--	--	30,882
	<u>144,604</u>	<u>260,394</u>	<u>(305,268)</u>	<u>--</u>	<u>--</u>	<u>99,730</u>
	<u>7,373,530</u>	<u>8,063,361</u>	<u>(6,766,202)</u>	<u>(351,742)</u>	<u>--</u>	<u>8,318,947</u>

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2024**  
**(Continued)**

**23. FUNDS (Cont.)****Restricted Funds**

The capital and equipment funds are primarily for the purchase of items of equipment or refurbishments. Some have small cash balances which are used in the maintenance of the asset.

The service funds are to operate specified services and are expected to be spent within 12 months. Expenditure against these funds is only for direct costs of running the services, not for recharges or overheads.

The other restricted funds are for use in the provision of aspects of services or for provisions not specific to a service, for example: patient comfort funds, funds for the upkeep of the garden and other areas and funds to provide training and development for staff.

**GROUP****For the Year Ended 31 March 2024**

Funds	Opening Fund Value £	Income £	Expenditure £	Investment Gains / (Losses) and Provisions £	Transfer from / (to) General Fund £	Closing Fund Value £
General Fund	6,561,217	9,320,575	(6,659,052)	27,133	(268,918)	8,980,955
Designated Funds	1,658,000	--	(1,330,918)	--	268,918	596,000
Restricted Funds	99,730	228,034	(223,102)	--	--	104,662
	<b>8,318,947</b>	<b>9,548,609</b>	<b>(8,213,072)</b>	<b>27,133</b>	<b>--</b>	<b>9,681,617</b>

**For the Year Ended 31 March 2023**

Funds	Opening Fund Value £	Income £	Expenditure £	Investment Gains / (Losses) and Provisions £	Transfer from / (to) General Fund £	Closing Fund Value £
General Fund	5,302,294	7,461,389	(6,710,565)	(29,348)	537,447	6,561,217
Designated Funds	1,615,000	898,506	(318,059)	--	(537,447)	1,658,000
Restricted Funds	144,604	260,394	(305,268)	--	--	99,730
	<b>7,061,898</b>	<b>8,620,289</b>	<b>(7,333,892)</b>	<b>(29,348)</b>	<b>--</b>	<b>8,318,947</b>

**24. FINANCIAL COMMITMENTS****Capital Commitments - Company and Group**

The Charity has no capital commitments at 31 March 2024 (2023: £55k relating to the Therapy and Wellbeing Centre, which commitment is now met).

**Operating Lease Commitments**

The Company and Group hold leases for retail outlets and office equipment. The future outstanding commitments broken down by time periods are shown below with prior year comparatives:

	<1 year £	2-5 years £	+5 years £
Company & Group as at 31.03.24	190,412	251,152	--
Company & Group as at 31.03.23	276,813	345,157	25,557

**Notes to the Financial Statements  
For the Year Ended 31 March 2024  
(Continued)**

**24. FINANCIAL COMMITMENTS (Cont.)**

The total operating lease commitments (this includes leases that are out of lease calculated at 6 months' liability) are:

	<b>Total Cost of Lease £</b>
Company & Group as at 31.03.24	441,564
Company & Group as at 31.03.23	647,526

There were no other operating lease commitments at 31 March 2024 (2023: none) that exceeded one year.

**25. RELATED PARTY TRANSACTIONS**

During the year some of the Trustees, senior managers, and employees of all Group entities made donations to the Charity, played the lottery run by Local Hospice Lottery, and donated goods to and bought from the Charity's shops. All these transactions were conducted on an arm's length basis in support of the Charity. All donations made by the Trustees were unrestricted.

Access to the Hospice's care services is based on the assessment of clinical need and the availability of provision. It is possible that relatives of Trustees, senior managers, and employees of all Group entities may have accessed the Charity's services, but this is not separately identifiable and therefore not disclosed.

Specific related party transactions are:

	2024 £	2023 £
<b>Caroline Bruckner Holt (Medical Director of Katharine House Hospice), Zia Din (Trustee of Katharine House Hospice), Richard Hughes (Trustee of Katharine House Hospice) &amp; Jenny Clarke (Trustee of Katharine House Hospice)</b>		
County Hospital and University Hospitals of the North Midlands (formerly Mid Staffordshire Hospitals NHS Trust) (relationship: Employees)		
Provision of pharmacy services and drug supplies	81,969	63,754
Provision of palliative medical consultant sessions	136,650	120,155
Contract for the provision of occupational and physiotherapy services	37,707	20,179
Provision of I-Portal	9,850	10,019
Provision of training courses	--	600
<b>Outstanding Creditor and Accruals Balance as at 31st March</b>	<b>56,310</b>	<b>52,881</b>
<b>Stephen Paul Kirwan (Trustee of Katharine House Hospice)</b>		
Nowell Mellor Solicitors (relationship: Employee)		
Provision of legal services connected with property transactions	--	2,584
<b>Outstanding Creditor Balance as at 31st March</b>	<b>--</b>	<b>--</b>
<b>Richard Soulsby (CEO of Katharine House Hospice)</b>		
AL Services (relationship: Spouse is proprietor)		
Spot purchasing of counselling services	2,695	1,990
<b>Outstanding Creditor Balance as at 31st March</b>	<b>175</b>	<b>--</b>

**26. POST BALANCE SHEET EVENTS**

An application has been made to strike off KHH Development Ltd.

An application is pending to strike off Embrace Quality Care Ltd.

A series of contracts have been issued to carry out works to a retail premises, with expected costs of £327k.

There are no other post balance sheet events that require reporting.