

**St Andrew's Healthcare
Annual Report and Financial Statements
for the Year Ended 31 March 2022**

St Andrew's Healthcare

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St Andrew's Healthcare

Advisers

Registered Office

Billing Road
Northampton
England
NN1 5DG

Independent Auditors

Grant Thornton UK LLP
Chartered Accountants and Statutory Auditors
17th Floor
103 Colmore Row
Birmingham
B3 3AG

Solicitors

Eversheds Sutherland
1 Wood Street
London
EC2V 7WS

Capsticks
1 St George's Road
Wimbledon
London
SW19 4DR

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022

Chair's Report

Welcome to this year's Annual Report. Since I joined the Charity back in October 2020, we have all been living and adapting to Covid-19. There is no doubt that the pandemic has taken its toll on our patients and staff. The impact of the pandemic will be felt long after it is over; it has exposed and amplified deep seated inequalities, as well as acting as an accelerant of positive changes. While we have been managing the challenges of Covid-19, I have been impressed by the way all our staff have persevered, supporting both our patients' and each other's wellbeing.

As I reflect on the past year, I would like to share a few of the highlights, and our challenges. Over the last 12 months, the Charity has cared for and supported c2,000 community patients and 915 inpatients. During that time we have discharged 369 patients from our care, moving on to either lower levels of security or back into the community. Even without the challenges of a pandemic, this is a noteworthy achievement.

There is no doubt that we have had some way to go to consistently deliver the quality of care our patients deserve. The Care Quality Commission's (CQC) inspection of our Women's services found serious quality failings and rated them as inadequate. There are no excuses, and the Charity has been working hard with our NHS partners to act on the CQC's findings to create the conditions for sustained improvement in the experience of our patients. You can read more about our progress to date on page 9 of this report.

The Charity has continued to establish itself as a trusted partner with NHS mental health providers and commissioners across the Midlands, and is helping to shape future mental health services. I am grateful for the way NHS colleagues have lent in to support us in our efforts to improve quality.

Going forwards, we will use our charitable status to challenge, promote and advocate in the areas that are most important to our patients' recovery. Central to this is our commitment to expand the range and reach of our community-based services and to further develop our research and education capabilities.

We continue to innovate and offer new services. For example, our mental wellness programme for schools – LightBulb – has been rolled out across a number primary and secondary schools in Northamptonshire, and the feedback has been wonderfully positive and the Head teacher won a Northampton University Community Change maker award for 2022 for her leadership of the initiative. The initiative was developed to spot the early signs of anxiety and depression among young people at school, and has so far helped over 11,500 children across the county. The impact of this work will have long-lasting mental health benefits for the young people and their families.

The Charity is working hard to reduce our environmental impact, in line with the Greener NHS programme. We have recently signed a major environmental initiative called the Independent Healthcare Providers Network, which will help us to reduce our carbon footprint. In Essex, our team are leading the way; they recently scooped a Health Service Journal (HSJ) award for a project they created in partnership with our patients. Their gardening initiative, which was entirely centred on delivering better patient outcomes, stood out from more than 1,000 submissions.

Looking ahead, our new strategy (which you can read more about on page 28) aims to build on our position as a charity that promotes wellbeing, gives hope and enables recovery.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Chair's Report (continued)

A key focus for the next year is a continued focus on quality improvement and ensuring we have the right culture and behaviours, and tackling our staffing challenges. By getting the culture right and ensuring the right staff are on hand at the right time, we will ensure we can deliver a safe therapeutic environment that promotes recovery for all our patients.

I am excited for the opportunities ahead, and I am confident of the Charity's abilities to continue evolving and improving.

Paul Burstow

**Rt Hon Paul Burstow
Chair, Board of Trustees**

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Objectives and Activities

St Andrew's Healthcare is a charity that provides specialist mental healthcare for people with complex mental health needs. We are committed to promoting wellbeing, giving hope and enabling recovery.

The people who use our services come from different backgrounds and places, and have various mental and physical health needs. Some individuals need short-term, intensive support following a mental health crisis or breakdown, and some people stay with us for longer periods; for these individuals we can provide not just medical interventions, but therapy and support to help them get their lives back on track. Some patients come to St Andrew's towards the end of their life, and our expert staff care for them in as comfortable an environment as possible.

We provide care across a number of services, including Men's and Women's Mental Health, Child and Adolescent Mental Health Services (CAMHS), Neuropsychiatry, Autistic Spectrum Disorder and Learning Disabilities. Our headquarters and largest site is in Northampton, but we also have hospitals in Birmingham and Essex, and two residential homes, Winslow and Broom Cottage in Derbyshire, which provide specialist locally focused mental healthcare.

Across our three hospitals we provide treatment and care for around 590 inpatients who face challenges of mental illnesses, developmental disorders, brain injuries and neurological conditions. We also offer treatment and support for individuals within community settings and as outpatients to different groups, including former members of the Armed Forces and people within the Criminal Justice System. Over the past 12 months we supported c2000 community patients via our various outpatient activities. We also work with other services to support individuals as they leave hospital care.

Public Benefit

As laid out in our Articles of Association, our charitable purpose is to relieve suffering, give hope and promote recovery. This is endorsed within our new Strategic purpose of being a charity that promotes wellbeing, gives hope and enables recovery, and we aim to deliver this through determining the expressed, observed and anticipated needs of people, alongside the best available technologies, therapies and thinking. The Trustees have given due regard to the Charity Commission's guidance on public benefit when exercising relevant powers and duties.

Our activities aim to ensure that knowledge and understanding of a patient's needs are catered for; that patients are valued; and that patients (and their families and carers) have access to help when they need it. We are a charity providing specialist care, education and research to help people with mental health disorders live a more rewarding life.

The Charity's new Strategy builds on these areas further through the seven strategic priorities of Quality, Service Innovation, Education and Training, Research and Innovation, Partnerships and Promotion, Workforce Resilience and Agility, and Finance and Sustainability, which enable us to deliver our charitable purpose every day in all our services. Further details of the seven strategic priority areas are shown on page 28.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Public Benefit (continued)

Our revised strategic objectives underpin the delivery of our strategy and the ability to meet our charitable purpose. These include:

- Our ongoing commitment to delivering high quality care and recovery outcomes through our quality first ethos
- Improving the ways we help and contribute to the approaches and thinking within mental health, learning disability and autism
- Delivering inclusivity, equity and positive health outcomes for all people
- Using our charitable agency and expertise to challenge, promote and advocate with and for people, and
- Continue to invest in research, innovation, services and education through the effective use of our resources.

Whilst also maintaining our commitment to the co-production of outcomes with patients and their carers, and our aim to improve our external engagement and the forming of partnerships with other providers, along with the development of more community based patient care.

Achievements and Performance

We are continuously striving to deliver the very best care for our patients. We aim to help everyone in our care to lead a meaningful life, with, where possible, discharge from hospital as soon as they are ready.

Over the past twelve months, 369 patients have been discharged from our care, moving on to either lower levels of security or back into the community.

We are continuing to lobby for an improvement in the approach to commissioning, and plan to develop more community services ourselves. This will help us to support more patients to move into a less restrictive environment within the community. We currently care for 11 patients within Winslow and Broom, our Community Services located in Derbyshire.

Our Divisions

In order to focus our clinical and nursing expertise, our Northampton hospital is focused around five divisions.

- Child and Adolescent Mental Health Service (CAMHS)
- Medium Secure Mental Health
- Low Secure and Specialist Rehab
- Autistic Spectrum Disorders and Learning Disability
- Neuropsychiatry

Each division is led by a Triumvirate consisting of a Clinical Director, Head of Nursing and Head of Operations. Our Birmingham and Essex hospitals are separate divisions in their own right, with their own operational and clinical leadership; each of these has a Hospital Director in place.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Our Divisions (continued)

As well as caring for individuals on an inpatient basis, our Community Partnerships team supports around 2,000 individuals each year through a variety of outpatient clinics. These services include our Assertive Transition Service (ATS), which works with patients before they are discharged to ensure they are prepared for a life within the community, and our Veterans' Complex Treatment Service, which supports ex-military personnel who require intensive care and treatment for mental health issues. Between 1 April 2021 and 31 March 2022, the ATS supported 34 individuals, while the Veterans' Complex Treatment Service supported 232 veterans. In addition, our outpatients' therapy and assessment service offered 1039 sessions and undertook 439 assessments for adults and young people.

St Andrew's also supported individuals via the London Community Rehabilitation Company during part of the year, and received 53 referrals, while our new Mental Health Treatment Requirements (MHTR) services in Essex and South London received 231 referrals. These services provide Psychological assessment and therapy for offenders, and continue to address mental health issues and reduce offending behaviour.

Patients and Service Users

Our patients and service users are at the heart of everything we do, and we are committed towards working with them, and their families and carers, to deliver the best outcomes possible.

To do this, it is vital that we seek and listen to their voice throughout the organisation, at all levels. In addition to ward-level feedback via community meetings, our patients and service users have the opportunity to provide feedback at divisional service user groups and the bi-monthly, Charity-wide Patient Forum (known as BENS). Our Trustees regularly attend BENS to hear patients' views and concerns from across all of our hospital sites, and these are discussed at the Charity's Board meetings.

The Patient Engagement team facilitate a range of initiatives to capture and act on patients' and service users' opinions, and ensure we implement collaborative approaches to decision making and service improvement. These initiatives include patient advisory groups, focus groups and a regular patient reported experience measure (PREM) patient survey, which is called My Voice. Patients are directly involved in the recruitment of many staff roles, including the appointment of Trustees. In addition, a "Patient Voice" section is included on Board agendas and, whenever a significant event is planned, a Quality Impact Assessment is completed and overseen by our Executive Trustees. This ensures any impact on the quality of care given to our patients is given the highest priority during the decision-making process. Patient experience and feedback is a central feature of the Quality and Safety Committee and People Committee.

External Stakeholder Reviews of Our Services

Our patients are our number one priority, and we strive to give them the best care, while ensuring all of their complex needs are met.

The pandemic has put an insurmountable amount of pressure on all healthcare providers, and our staff have worked tirelessly over the last two and a half years to support our patients and their families.

Over the past year we have continued in our determination to improve the quality of services we provide to our service users. At the time of publication, we have nine services across five different locations that are inspected by our regulator, the Care Quality Commission (CQC). Five of these services are currently rated 'good', three as 'requires improvement', and one as 'inadequate', however across all of our services we are constantly seeking to improve the quality of care and outcomes we deliver for our patients and service users. In order to do this, we have implemented robust plans that will address issues highlighted by the CQC, and we have formally partnered with a number of NHS Foundation Trusts to ensure we adopt best practice.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

External Stakeholder Reviews of Our Services (continued)

Over the last few years we have been restructuring our Charity to drive an improvement in the quality of care we provide our patients. This has included reducing the number of our beds by a third and increasing the investment we are making in community care to help support people with mental health issues and return home wherever possible.

Another important element of our restructure has been to take a more active role in the East Midlands and West Midlands Provider Collaboratives and work with our NHS partners to make sure that as many patients as possible receive their care closer to home. By working in this way, we are playing a critical role in supporting local healthcare systems to use their collective resources most effectively, delivering consistent outcomes and keeping people and families connected.

As part of our Quality Improvement programme, we are working with some highly experienced and knowledgeable people from NHS Trusts. By 'buddying up' and sharing expertise and examples of what works, and what does not, we are able to make significant changes, which will ultimately improve patient care.

We are tackling our challenges head on. One example is our new Lead the Change programme, which brings together 98 individuals from across the Charity. The 98 people are known as 'Change Leaders' and are working together to discover, design and deliver a programme of change in the areas they feel are most important to our staff and patients. We have so far held two Lead the Change workshops, which have been a great opportunity for our Change Leaders to meet each other and to start exploring how we can get to where we need to be.

As always, we welcome scrutiny as it provides an opportunity to reflect and to continue to make changes to improve the experiences and outcomes for our patients and staff. The Care Quality Commission (CQC) regulates us, but other bodies also review aspects of our work. These include NHS England, NHS Wales, the Safeguarding Boards for Adults and Children in the areas where we operate, the Charity Commission and the Health and Safety Executive.

Workbridge & Recovery College

Our Recovery and Every Day Skills College supported 3,000 students (Patients, Staff, Volunteers, and Carers) across all our services in a wide range of topics. They also supported local external events and research projects. This ensures those with lived experience of mental health are sharing and using their voice to create powerful and impactful education, which makes a real difference.

Workbridge is accessed through five learning hubs whereby learners can gain key vocational skills and work experiences to prepare them for work and employment following ill health. During the last year, 30,000 workshops were accessed and 100 work placements were experienced and valued.

Education

Our St Andrew's College underwent a full Ofsted inspection in June 2021 and are very proud to have achieved an overall rating of Good, with an Outstanding rating for 'behaviour and attitudes' within the college. This was a real achievement on the back of a new and more robust education inspection framework and being undertaken during the Covid-19 pandemic. During the last year, with our new right-sized CAMHS service, we have supported our young people to achieve over 170 qualifications, including GCSE's in Maths, Art and Design, Biology and Chemistry, as well as numerous Level 1 and 2 certificates in English, Maths and Information Communication Technology. In addition, the college supported three young people to undertake their Bronze Duke of Edinburgh Award.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Education (continued)

The college has created and delivered the 'LightBulb Mental Wellness Programme for Schools', which provides training and structured interventions for schools and school leaders to develop their policy, curriculum, governance, interventions and understanding, to ensure they provide a healthy culture around mental health for their staff, families and pupils. In the last year we have reached over 11,500 pupils through implementing this programme in a number of local primary and secondary schools within the county.

For our adult service users we have offered over 8,500 teaching sessions during the last year across our Northampton, Birmingham and Essex sites combined, and our adult learners achieved 30 qualifications in functional skills during the same period.

Staff Education and Career Development

For staff we provided over 23,000 days of learning, which is the equivalent of six days per annum of learning per staff member, ranging from mandatory training to long-term career development. Furthermore, our online learning Platform enabled completion of 62,000 learning modules in a wide range of over 150 topics.

We currently have 100 apprentices on programmes, making St Andrew's one of the largest apprenticeship employers in the UK. In addition, staff access various innovative Higher Education programmes such as ASCEND (non-medical approved clinician training), Masters in Advanced Clinical Practice, Foundation and Top up Degrees.

Across the year, we made 350 internal promotions and hosted over 600 students from UK universities across a variety of professions such as nursing, occupational therapy, psychology, and medical students. 2021 has been a milestone year for our ASPIRE programme, which trains individuals to become registered Nurses, as over 100 people have qualified as Nurses since the programme began and many previous students have been promoted to clinical leaders and specialist roles.

Research and Innovation

Research was one of the three founding principles of St Andrew's when it was formed in 1838, and, despite many changes in the intervening 184 years, it remains a key strategic goal for the Charity. In today's world of technological advancements and, against a landscape of increasing competition for limited resources, innovation is the natural partner of research. Accordingly, research and innovation is a key focus for the Charity, demonstrating the emphasis we place on finding and delivering improvements.

Despite the substantial challenges due to the pandemic, we have continued to develop our research capability to aid delivery of the Charity's strategy. Our objective is to develop and manage a carefully selected portfolio of research and innovation projects with the single aim of delivering maximum value to our patients, enabling them to recover, and return to the community as quickly as possible to lead fulfilling and rewarding lives.

Over the last year we have made significant progress in developing a renewed research strategy along with key stakeholders. The new research strategy puts particular emphasis on five core areas of activity (physical health, trauma, community, data and technology and precision medicine). It also aims to facilitate and nurture a substantial culture change within the Charity, so that every employee will either be participating in research, or using research insights to deliver the very best care to our patients.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Research and Innovation (continued)

Our pioneering research secondments have continued to go from strength to strength and we are now part of an increasing number of flagship National Institute for Health and Care Research (NIHR) projects with University College London, Imperial College and Birmingham University. Moreover, the research strategy developed over the last year will now undergo an exciting implementation phase with all the attendant benefits.

We now have 52 projects in our current portfolio. This is made up of 33 research projects, and 19 service evaluations. We have initiated new and innovative research programmes that have the potential to create a step change in the treatment of severe mental illness.

Building external relationships and partnerships across a range of mental health institutions and organisations will be critical to our success; of the 33 research projects, we are collaborating with 16 UK universities and a number of mental health charities. We aim to promote a positive, research active culture across our care teams, providing multiple benefits to our patients and staff.

Volunteers

We are very lucky to have over 300 volunteers at St Andrew's, some of whom are also paid employees. Often, volunteering can be a stepping stone to a permanent job within the Charity; recently, one individual who had volunteered with us since 2019 began work at St Andrew's as an Assistant Psychologist.

Our existing team of volunteers gains much from volunteering. Every individual has different reasons for becoming a volunteer, but many cite "being part of a team", "the sense of achievement", "giving something back", "personal learning and development", "making new friends" and "gaining valuable experience" as particular highlights.

Our volunteers shone bright through the pandemic and they still continue to shine. Our volunteers continue to show up, put our patients first and enrich our patients' lives. We continue to be humbled by their dedication and involvement, which is a huge help to the Charity and the departments they support. Thank you to all of our volunteers for going above and beyond for St Andrew's Healthcare.

Diversity and Inclusion

At St Andrew's, we know that diversity is one of our greatest strengths, contributing positively to our success and, most importantly, to the care we provide for our patients.

As a charity we take great pride in our diversity and inclusion initiatives, and we are extremely proud of our results. We have a Diversity and Inclusion Strategy, where our four key pillars are: getting the basics right, tackling and promoting fairness, supporting mental health in the workplace and further improving representation of women and staff from an ethnic minority background at senior levels. Our strategy is steered by our Inclusion Steering Committee, and in 2021 this was chaired by our CEO. The Committee was formed four years ago and meets every quarter. A key focus this year has been rolling out an Anti-Racism campaign across the Charity, engaging both staff and patients.

We have a diverse workforce, with 64% of our staff female and over 24% of staff from an ethnic minority background, higher than the national average of 15% and the NHS at 22%. We are proud of our diverse Board representation and progress we have made in this area. In 2018 our ethnic minority representation at Board was 0%; this year 13% of the Board are from ethnic minority backgrounds, which is favourable compared to other organisations. Additionally, 27% of the Board are female vs the external benchmark of 33%.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Diversity and Inclusion (continued)

Our Gender Pay Gap ratio is 2% (for April 2021), which is significantly ahead of the national pay gap of 15.4%. Further to this, as part of our commitment to inclusion, for the third year we have reviewed the relationship between ethnicity and pay in our charity. This is something that we are not required to review or publish, however with our commitment to transparency we share this with our staff.

The results highlight the difference in average hourly pay between Black, Asian and Minority Ethnic colleagues and non-Black, Asian and Minority Ethnic colleagues (based on individuals who have disclosed their ethnicity).

Our median ethnicity pay gap for April 2021 was -1.9% meaning that when considering total remuneration, our ethnic minority employees received a higher hourly rate of pay in comparison to non-ethnic minority employees. This compares to a national ethnicity pay gap reported by the ONS of 2.3%.

We have a number of ongoing inclusion initiatives where we are seeing fantastic results, including our Peer Support Worker programme, which brings people with lived experience of mental health recovery to support our patients. We have also rolled out a 'reverse mentoring' scheme and unconscious bias training to ensure all of our managers have the tools needed to challenge their own decision making and fully embrace the diversity of their team.

Furthermore, this year, we undertook a specific piece of internal research to assess the impact of Covid-19 and burnout on staff, highlighting evidenced-based strategies and focus areas for the future. This is being used to inform the initiatives under the strategy pillar 'effectively supporting mental health in the workplace'. We are proud that we have four established Employee Staff Networks; PRIDE, ABLE (covering physical disability and mental health), BAME and our WISH Network (Women in St Andrew's Healthcare). All Networks have an Executive Director Sponsor and are led by two Co-Chairs who have raised awareness and engaged staff in a number of events throughout the year. These include a Black History Month conference, a PRIDE celebration walk, a week of events for International Women's Day and Mental Health Awareness week. Throughout the year we also gave our zebra crossings across all three St Andrew's sites a rainbow makeover to show how the hospital supports the lesbian, gay, bisexual, transgender (LGBT+) communities. In 2022/23 we will further support our networks to raise awareness of the barriers and challenges faced in the workplace, and ultimately break down inequalities.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Streamlined Energy and Carbon Reporting ('SECR')

Summary

St Andrew's Healthcare's greenhouse gas emissions, reportable under SECR in 2021/22 were 7,924 tonnes CO₂e.

These include the emissions associated within the UK grid electricity, natural gas consumption, F-gas refrigerants, gas oil and business travel in company and private vehicles by employees. St Andrew's Healthcare's greenhouse gas emissions were 12% lower than in 2020/2021. The intensity of 0.069 tonnes CO₂e per m² floor area is 10% lower than last year.

Boundary, Methodology and Exclusions

An 'operational control' approach has been used to define the Greenhouse Gas emissions boundary¹.

This approach captures emissions associated with the operation of all buildings, such as Residential Care Buildings, Staff Accommodation buildings, Day Centres, Offices and Workshops, plus company-owned vehicles, leased/rental cars and grey fleet transport used for business purposes. This report covers UK operations only, as required by SECR for Non-Quoted Large Companies.

This information was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, 2019.

Emissions have been calculated using the latest conversion factors provided by the UK Government. There are no material omissions from the mandatory reporting scope.

The reporting period is April 2021 to March 2022, as per the financial accounts.

Energy Efficiency Initiatives

SECR legislation requires that every company provides some basic information in their Directors' Report on the energy efficiency initiatives carried out in the financial year covered by this report. St Andrew's Healthcare have been pro-active in the 21/22 reporting period and have implemented a number of energy efficiency measures, which are listed below:

- St Andrew's Healthcare won the prestigious Health Service Journal (HSJ) Awards 2021, under the Environmental Sustainability category for its Growing Spaces to Grow project.
- Single use plastics have been removed from our ordering portfolio.
- 100% recycled copying paper has been rolled out throughout our Northampton site.
- By recycling our unusable furniture, we have diverted 4,163 kg from going to landfill with a saving of 6,523 kg/CO₂e.
- New, more efficient DHW boilers have been installed throughout our Birmingham Hospital.
- Our building management system (BMS) has been replaced and upgraded in two of our major sites to the latest Trend IQ Vision platform with enhanced control strategies.
- We have fully converted one of our patient community houses to LED lighting technology.

¹ An operational control approach to GHG emissions boundary is defined as: "Your organisation has operational control over an operation if it, or one of its subsidiaries, has the full authority to introduce and implement its operating policies at the operation".

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Streamlined Energy and Carbon Reporting ('SECR') - continued

Greenhouse Gas Emissions

Figure 1 Greenhouse gas emissions by year (tonnes CO₂e)

Emissions source	2021/22	2020/21	2019/20	2018/19	Share (%)	2020/21 – 2021/22 Change %
Fuel combustion: Natural gas	3,808	4,305	4,080	4,347	48%	-12%
Purchased electricity	3,008	3,468	4,173	4,935	38%	-13%
Fuel combustion: Transport	155	165	275	234	2%	-6%
Facility Operations (inc F-Gas)	953	1,032	1,374	-	12%	-7%
Total emissions (tCO₂e)	7,924	8,970	9,902	9,516	100%	-12%
Building Gross Internal Area (m ²)	114,089	116,263	122,229	128,581		-2%
Intensity: (tCO₂e per 1m²)	0.069	0.077	0.081	0.074		-10%

Figure 2 Greenhouse gas emissions by scope (tonnes CO₂e)

Emissions source	2021/22	2020/21	2019/20	2018/19	Share (%)	2020/21 – 2021/22 Change %
Scope 1	4,872	5,478	5,575	4,473	61%	-11%
Scope 2	2,763	3,193	3,846	4,442	35%	-13%
Scope 3	289	299	481	601	4%	-3%
Total emissions (tCO₂e)	7,924	8,970	9,902	9,516	100%	-12%

Scope 1: Natural gas, F-Gas and company-operated transport. Scope 2: Electricity (generation). Scope 3: Losses from electricity distribution and transmission (T&D) and private vehicles used for business travel. This only includes emissions reportable under SECR (plus the voluntary F-Gas) and may not reflect the entire carbon footprint of the organisation.

Energy consumption

Figure 3 Energy consumption by year (kWh)

Emissions source	2021/22	2020/21	2019/20	2018/19	Share (%)	2020/21 – 2021/22 Change %
Natural gas for heating	20,828,968	23,410,613	22,192,791	23,642,969	60%	-11%
Electricity	13,013,041	13,697,157	15,047,684	16,464,363	38%	-5%
Transport fuel	619,036	675,746	1,122,781	945,632	2%	-8%
Total consumption (kWh)	34,461,045	37,783,516	38,363,256	41,052,964	100%	-9%

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Structure, Governance and Management

Status and Structure

St Andrew's Healthcare is registered in England and Wales as a Company Limited by Guarantee and a registered charity. It is governed by its Articles of Association. The Charity is registered with the Care Quality Commission (CQC), holds a licence from the NHS and is regulated by Ofsted.

The Charity is governed by a Court of Governors and a Board of Trustees. All Trustees are also Directors of the Company.

Court of Governors

The Governors are members of the Charity and at the date of signing the Statutory Accounts, there were 26 Governors, which included one Non-Executive Trustee Director and four Constituency Governors. There are also 14 Honorary Governors, who have been active in the past but now play less of a role within the Charity.

Active Governors		
Anne Burnett	James Charrington	Jane Forman Hardy
Tim Davy	Lord Charles FitzRoy	Dr Michael Harris
William Francklin	Dr Martin Gaskell	Crispin Holborow
Nick Heygate	Robert Heygate	Denford Jeyacheya
Sandy Howse	Frances Jackson	Oliver Mackaness
David Laing	Amanda Lowther	Rupert Perry
Rob Nelson	The Marchioness of Northampton	Adrian Spooner
Lady Proby	Stuart Richmond-Watson	Peter Winslow OBE
Ria Stanyer	Johnny Wake	

The Court of Governors meets four times a year, which includes the Annual General Meeting, where the Governors receive the Annual Report and Accounts, elect or re-elect Trustees, and approve the appointment of the Charity's External Auditors. The Board also informs the Governors about the Charity's recent performance and future development during these quarterly meetings.

To ensure that key stakeholders have a voice in the overall direction and management of the Charity, there are four Constituency Governors, representing different groups of stakeholders. We currently have two representing Carers and two representing St Andrew's staff. Constituency Governors are appointed for an initial three-year term, which can be extended for a further three-year term.

Many of the Governors play a more active role in the Charity through ward and service visits, reviews of compliments and complaints, patient engagement and voluntary services, all of which provide an important form of assurance to the Governors and helpful intelligence to the Charity's Executive Team regarding current issues. Some Governors also act as Mental Health Act Managers, whilst others are involved with Board Committees, such as the Audit & Risk Committee, Quality and Safety Committee and the Research Committee, and some are also Directors of the Pension Trustee Company.

A Lead Governor position was introduced this year and Rupert Perry was nominated and appointed by the Court of Governors to hold the position on an initial three-year term. The Lead Governor role aims to improve the efficiency and effectiveness of communication between the Governors and the Charity and its Trustees. The Lead Governor attends Board of Directors meetings and is supported by a small group of experienced Governors, and together they assist in developing existing Governor processes and understanding across the Charity, as well as attending a number of Board Committees.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

The Board of Trustees

The Board of Trustees operates as a Unitary Board, which means that it has a single board of Directors, made up of Executive and Non-Executive members. The Board is currently comprised of nine Non-Executive Directors and six Executive Directors. The Executive Directors are also members of the Charity Executive Team. In addition to the Trustees, the Chief Information Officer, Director of Estates and Facilities and Director of Performance are in attendance at Board meetings.

There are no corporate Trustees and no Trustees hold title to property belonging to the Charity. No one person is entitled to appoint Trustees, with Trustees appointed via the Nomination and Remuneration Committee and confirmed at the Annual AGM.

All new Trustees are required to undergo a comprehensive induction programme, to introduce them to the Charity and explain their obligations as Trustees. This includes visits to our service facilities, discussions with Executive Directors, our corporate induction, and any appropriate training, including Board related development.

Non-Executive Trustees are appointed for an initial three-year term, which can be extended for a further three-year term. Stuart Richmond-Watson, has served as a Trustee for 17 years, which is longer than the recommended time frame. However, his skills and knowledge are deemed by the Board to be valuable to the Charity and making an exception is therefore justified. Two Non-Executive Trustees stepped down from their roles during the year, Anne Tansi Harper (30 April 2021) and Professor David Sallah (31 August 2022), with four new Non-Executive Trustees, Ruth Bagley (1 June 2021), Dawn Brodrick (1 September 2022), Karen Turner (1 September 2022) and Stephen Shrubbs (1 October 2022) appointed.

The Board considers the Non-Executive Trustees to be independent. All Non-Executive Trustees, save for the Rt Hon Paul Burstow, have no financial or other business relationship with St Andrew's and act as Non-Executive Directors on an unpaid and voluntary basis. The Rt. Hon. Paul Burstow is remunerated for being the Chair, in light of the time commitment required.

Non-Executive Directors/Trustees:

Name	Office (if any)	Dates acted if not for a whole year
Rt Hon Paul Burstow	Charity Chair Chair of Governors Committee Chair – People Committee (up to 31 August 2022)	
Stuart Richmond-Watson	Chair – Nomination and Remuneration Committee Chair – Investment Committee	
Andrew Lee	Chair – Finance Committee	
Elena Lokteva	Chair – Audit & Risk Committee Designated Non-Exec for Whistleblowing	
Professor Stanton Newman	Chair – Research Committee	
Professor David Sallah	Chair – Quality & Safety Committee	Resigned 31 August 2022
Ruth Bagley	Designated Non-Exec for Safeguarding	Appointed on 1 June 2021
Anne Tansi Harper		Resigned 30 April 2021
Dawn Brodrick	Chair – People Committee	Appointed on 1 September 2022
Karen Turner		Appointed on 1 September 2022
Stephen Shrubbs	Chair – Quality & Safety Committee	Appointed on 1 October 2022

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Executive Directors/Trustees:

Name	Office (if any)	Dates acted if not for a whole year
Katie Fisher	Chief Executive Officer	Resigned on 1 December 2021
Jess Lievesley	Interim Chief Executive Officer	Appointed as Interim CEO 8 October 2021 Resigned on 30 June 2022
Alexandra Owen	Chief Finance Officer	Resigned on 31 March 2022
Martin Kersey	Executive HR Director	
Dr Sanjith Kamath	Executive Medical Director	
Andrew Brogan	Chief Nurse	
Kevin Mulhearn	Chief Finance Officer	Appointed on 31 March 2022
Dr Vivienne McVey	Chief Executive Officer	Appointed 1 September 2022
Dawn Chamberlain	Chief Operating Officer	Appointed 19 September 2022

During the year, Katie Fisher stepped down as Chief Executive Officer of St Andrew's Healthcare on 7 October 2021 and as a director of the company on 1 December 2021, replaced by Jess Lievesley who moved into the position of interim Chief Executive Officer immediately after her departure. Jess Lievesley stepped down from his role as CEO and director on 30 June 2022, with Professor Oliver Shanley, the Charity's Special Advisor to the Board, assuming the interim CEO position until 31 August. Dr Vivienne McVey was appointed as Chief Executive Officer and director from 1 September 2022. Dawn Chamberlain was appointed as Chief Operating Officer and director from 19 September 2022.

Alexandra Owen resigned as Chief Finance Officer and as a director of the company on 31 March 2022. Kevin Mulhearn was appointed as Chief Finance Officer and director from 31 March 2022.

Officers:

Name	Office (if any)	Dates acted if not for a whole year
Duncan Long	Company Secretary	

Board Responsibilities

The Board is responsible for the overall leadership of the Charity, and for the approval and monitoring of the Charity's vision, values, purpose, long-term objectives, and strategy. The Board meets six times a year, with a Board plan in place to ensure that issues are discussed at the right time. In addition to the six scheduled meetings, the Board meets regularly throughout the year to discuss, review and determine the Charity's Strategy, as well as to attend structured Board development sessions. The day-to-day running of the Charity is the responsibility of the Charity Executive Team.

In early 2021 the Board commissioned an external review of its Governance and Risk arrangements, with the final report and recommendations issued to the Board in August 2021. The review and recommendations covered the Charity's existing governance framework; benchmarking this framework against industry practice and peers; development of new governance architecture to improve Charity Governance and risk management frameworks, including new committee structure and terms of references; Board dynamics and effectiveness; role of governors and a detailed project plan for implementation and embedding. The implementation project is progressing well with a planned completion date of July 2023.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

The Board is supported by a number of committees:

The People Committee

Provides assurance and governance oversight and guidance on the Charity's overall Engagement Strategy, building positive links between patients, carers, volunteers and staff. The Committee also looks at opportunities for partnerships, networking and information sharing. The Committee meets on a bi-monthly basis and is chaired by a Non-Executive Trustee and consists of a further two Non-Executive Trustees, two Executive Trustees and two Charity Constituency Governors, and is attended by employee and patient representatives, other members of the Executive Team, senior management, and a Governor member of the Lead Governor Group.

The Finance Committee

Provides assurance and governance oversight of the financial management of the Charity, using the "5 F's" model of financial excellence: Financial Control; Financial Resources; Financial Information (internally); Financial Management and Planning, and Financial Investment. The Committee meets quarterly and provides performance and treasury updates to the Board and maintains oversight of the budget and financial forecasting processes. The Committee is chaired by a Non-Executive Trustee and consists of a further Non-Executive Trustee and three Executive Trustees and is attended by other members of the Executive Team, senior management, and a Governor member of the Lead Governor Group.

The Quality and Safety Committee

Provides effective governance over all aspects of quality and clinical safety in relation to the Charity's Objects (as laid out in the Articles of Association). Promoting the healing of sickness, the relief of suffering and the relief of need of those experiencing mental disorder, are achieved through defining the Charity's Quality Strategy, and monitoring the implementation and delivery of it. The Committee meets bi-monthly, and oversees the clinical risk processes by identifying associated risks and providing recommendations for mitigating controls. The Committee is chaired by a Clinical Non-Executive Trustee and consists of a further three Non-Executive Trustees and three Executive Trustees and is attended by both Non-Executives and Executives, senior management, and a Governor member of the Lead Governor Group.

The Nomination and Remuneration Committee

Makes recommendations to the Board regarding new Governors, Trustees, Board and Governor Committees, and nominates candidates for appointment to the Charity Executive and to Director positions of any of the Charity's Group Companies. It also approves the remuneration policy for all employees and determines annually the pay and benefits packages of senior management. The Committee is chaired by a Non-Executive Trustee and consists of a further two Non-Executive Trustees and one Charity Governor and is attended by Executives and senior management, along with external subject matter experts as required.

The Audit and Risk Committee

Provides assurance and governance oversight of the Charity's risk management and internal control systems, compliance with legal and regulatory requirements, and reviews the quality, performance and independence of the external auditors, along with monitoring the effectiveness of the internal audit and counter fraud functions. The Committee is chaired by a Non-Executive Trustee and consists of a further Non-Executive Trustee and three Charity Governors and is attended by Executives, senior management, Internal Audit, and representatives of the Charity's External Auditors.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

The Research Committee

Provides strategic leadership and direction to the Charity's Research Centre and the approach to research and development. The Committee meets on a quarterly basis and is chaired by a Non-Executive Trustee and is attended by Executive Directors, as well as a mix of members from within the Charity and externally. This includes: patient and carer representation, so that we can be sure we are taking their views into account; and members from external organisations to provide additional knowledge and expertise. The Committee is also attended by other members of the Executive Team, senior management and a Governor member of the Lead Governor Group.

The Investment Committee

Advises and makes recommendations to the Board and to the St Andrew's Pension Scheme Trustees on the appointments of fund managers, investment strategy and other investment matters regarding the investment funds. The Committee is chaired by a Non-Executive Trustee and meets on a quarterly basis.

The Charity Executive Team

Has day-to-day responsibility for running the Charity, focussing on development and delivery of the strategy, delivering value-based outcomes for patients, and ensuring robust financial management and compliance. The Charity Executive Team is formed from Executives and Director level senior management from across the Charity, with representation from clinical, operational and support functions, and represents all divisions and services. The Charity Executive Team meets on a weekly basis to discuss strategic, performance and operational matters.

St Andrew's College Governing Body

St Andrew's Healthcare operates a registered College within the Charity providing patients under the age of 18 with their education. This committee, chaired by a Non-Executive Director, provides strategic leadership and accountability to St Andrew's College by ensuring clarity of vision, ethos and strategic direction. It seeks assurance as to the quality of education of all pupils attending the College.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Supporting Our Staff

Our People and Organisational Development (OD) Plan focuses on nine guiding principles, which are:

- Purpose
- Wellness
- Diversity & Inclusion
- Development
- Staffing
- Recognition
- Reward
- Innovation
- Future Workforce

Our People and OD Plan and the behaviours we expect are underpinned by our CARE values of Compassion, Accountability, Respect and Excellence. Every year we recognise the achievements of our staff in our annual CARE Awards, with 1,484 nominations received over the past year. These awards highlight some of the amazing achievements of our staff and moments when their remarkable care and compassion has shone through.

We are committed to continuing to improve the satisfaction of our staff and undertake an annual staff engagement survey (Your Voice), which collates staff members' opinions. This feedback is turned into action, and following the survey's closure, each division/department works together to create a plan to target any improvement areas. In 2021 our engagement score was 51%, which was disappointing but also reflects the post-Covid-19 period and is similar to a general downward trend amongst healthcare organisations. One of the key actions was launching a culture change programme called Lead the Change, which brings together 98 individuals from across the Charity known as 'Change Leaders'. The Change Leaders are working together to discover, design and deliver a programme of change in the areas they feel are most important to our staff and patients. We have so far held two successful Lead the Change workshops and commenced the discovery phase of the programme, gaining vital feedback from staff, patients, carers and our Board.

A core element of our work around culture is promoting and listening to people's feedback and this is actively encouraged, with multiple ways for our staff to speak up. For example, all staff are able to access our confidential external whistle-blowing service called, SafeCall. Additionally, following the appointment of a group of Freedom to Speak Up Guardians in 2019, who offer independent support and advice to staff who would like to raise concerns, in 2022 we also appointed a Lead Guardian.

We have a central Employee Relations team who ensure consistency in the management of any formal grievance or disciplinary cases. The Charity takes a zero tolerance approach to bullying and harassment and an associated procedure is in place to support employees at times of distress. We are also proud of our strong wellbeing offer to support staff, which includes a 24/7 Employee Assistance helpline and in-house trauma support, including access to counselling.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Accountability

Our staff are key to ensuring that we operate in an open and transparent way, identifying when things go wrong or when aspects of our care for patients can be improved. At St Andrew's, everyone is encouraged to speak up and have their say, as our patients rely on us to make a stand for each other when needed. We have many ways in which staff can make suggestions for change and raise issues, through open forums, online portals, line manager feedback and an independently run whistleblowing service called SafeCall.

Freedom to Speak up Guardians

In 2019 we followed in the footsteps of many NHS Trusts and appointed a group of Freedom to Speak Up Guardians, who offer independent support and advice to staff who would like to raise concerns. Since this time, the team has expanded from four to eleven members and are represented in all sites across the Charity.

Together, our Freedom to Speak Up Guardians:

- Provide confidential advice and support to employees about any concerns they have about risks, malpractice or wrongdoing in the workplace
- Help create a culture of openness across St Andrew's, encouraging people to speak up and enable lessons to be learned that will in turn improve care
- Help to raise the profile of raising concerns in St Andrew's and the different routes available to do this
- Support and provide guidance to employees to speak up, working collectively to remove any barriers which stop our staff from doing so

The Guardians are continuing to raise their profile across the Charity by holding team events and taking part in site, ward and team visits. The response to the Guardians has been positive, and the initiative is helping us to create a culture of openness and transparency.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Remuneration Statement

Our reward strategy is designed to deliver market competitive remuneration for all employees, while recognising our status as a charity. We also provide a range of benefits, development and wellbeing support, which help make St Andrew's a great place to grow and progress.

As part of our reward strategy we regularly benchmark salaries and other benefits for the whole organisation, of which the Remuneration Committee has oversight. For our Executive team, we have a published Remuneration Policy that describes a framework for how remuneration is positioned relative to the market, so that we can ensure we can attract and retain the talent we need. Accordingly, when making any decisions on pay, the Remuneration Committee considers pay levels in the NHS, the private sector, the healthcare sector, as well as other charitable organisations.

We recognise the extraordinary work that everyone working at St Andrew's undertakes, and we set our minimum pay levels this year at the Real Living Wage for all employees, regardless of age or role. The move to Real Living wage has impacted over 2,000 of our employees and we continue to strive to pay our lowest paid staff more.

The Charity's Gender Pay Gap ratio, which was published in March 2022, showed the median pay gap has moved from 0% to 2% in favour of males. This change was linked to a greater number of male staff working additional shifts over the pandemic. We have a clear commitment to being an inclusive employer, and are proud that our results continue to be significantly better than the national norms.

Showing our commitment to transparency and being an inclusive organisation is important to us, and the Charity's Ethnicity Pay Gap ratio was also published internally and externally for the third time in 2022. This showed our median ethnicity pay gap is -1.9%, in favour of Ethnic Minority employees.

Reference and Administrative Details

The Charity's name is St Andrew's Healthcare, its Charity number is 1104951 and its company number is 5176998. The principal and registered office address is Billing Road, Northampton, Northamptonshire, NN1 5DG.

Other names associated with the Charity include 'Workbridge'. Workbridge, at our Northampton and Birmingham hospital sites, gives patients and service users from the community an opportunity to work as a team, learning and developing work and life skills through a broad range of meaningful activities to help them realise their potential in the community.

The consolidated financial statements of the Group incorporate the financial statements of St. Andrew's Healthcare (the 'Charity'), St Andrews Property Management Limited, Three Shires Hospital LLP and The Pavilion Clinic Ltd.

Political Donations and Political Expenditure

No political donations or political expenditure have been incurred during the year (2021: None).

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Qualifying Third Party and Director Indemnity Provisions

The Charity maintains trustees' and officers' qualifying third-party indemnity insurance to provide cover for legal action against its trustees and officers. This has been in place throughout the year and remains in place at the date of approval of the financial statements.

Dividends

No dividends were paid or recommended in the year (2021: Nil).

Post Balance Sheet Events

1. In April 2022 the Care Quality Commission conducted an inspection of St Andrew's Healthcare Women's Wards. This was a re-inspection following an Inadequate rating in November 2021. The final report was published on 5 October 2022 with a rating of Requires Improvement.
2. In September 2022 the Charity concluded the commercial tendering process of renewing its bank credit facility. The new facility will commence on 4 October 2022, providing a £27m facility for a three year duration, with the option for a further two year extension.

The existing facility was due to end in December 2022.

3. Jess Lievesley stepped down from the role of Interim Chief Executive Officer on 30 June 2022, Oliver Shanley immediately took the role of Interim Chief Executive Officer until 22 August 2022 and on 1 September 2022, Dr Vivienne McVey took the permanent position.

Kevin Mulhearn was appointed to the role of Interim Chief Finance Officer on 31 March 2022 and was formally appointed to the Chief Finance Officer role on 1 July 2022.

Dawn Chamberlain was appointed to the role of Chief Operating Officer and joined the Charity on 19 September 2022.

4. Immediately following the 31 March 2022 year end, Three Shires Hospital LLP acquired the trade and assets of its 100% subsidiary company, The Pavilion Clinic Limited.

Funds Held as Custodian Trustees on Behalf of Others

The Charity manages cash and bank balances on behalf of some of its patients. A specific bank account is used for patient money to keep it separate from corporate money, and a patient money system called Harlequin is used to manage patients individual accounts. The balance at 31 March 2022 was £2.3m (2021: £2.7m) and this account has been included in the Charity's Balance Sheet in both years.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of St Andrew's Healthcare for the purposes of Company Law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company Law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with the United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

The trustees/directors who held office at the date of approval of this report confirm that, so far as they are aware:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- the trustee/director has taken all the steps that ought to have been taken as a trustee/director in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Financial Instruments

The group has exposures to two main areas of risk – liquidity risk and interest rate risk.

Liquidity Risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations, the group has credit facilities available. Given the maturity of the bank loan in note 19, the group is in a position to meet its commitments and obligations as they fall due.

Interest Rate Risk

The group borrows from its bankers using term loans, the tenure of which depends on the nature of the asset and management's view of the future direction of interest rate.

Employee Statement

The Charity's policy on employment, training, career development and promotion for disabled people is as follows:

- (a) full and fair consideration of applications for employment made by disabled persons is given, having regard to their particular aptitudes and abilities;
- (b) continuing the employment of, and arranging training for employees who have become disabled persons while employed by the Charity; and
- (c) training, career development and promotion of disabled persons is given by the Charity.

Engagement with Suppliers, Customers and Others in a Business Relationship with the Charity Suppliers

Due to the nature of the Charity, we work closely with suppliers throughout the country and value the role that they play in the services we provide. We rely on our supply chain partners in all areas of our services, whether relating to direct patient care or support function products and services. Our supply chain partners rely on us to generate revenue and employment for them, and we strive to maintain productive and mutually beneficial relations with all our supply partners.

Our Strategic Sourcing team work closely with supplier partners and colleagues to develop and maintain new contractual relationships, aiming to ensure the best possible value and service is achieved for both parties. They foster healthy competition in the main supply categories in which we operate, through the process of sourcing, competitive tendering, quotations and contracting, whilst maintaining a fully transparent process throughout. The Charity encourages open dialogue with our partners through a number of channels and we also work jointly with partners on initiatives, both regionally and nationally, that promote our mutual success and the best outcomes for our patients.

Key service contracts are relationship-managed across the Charity in an open and collaborative way, to ensure the Charity obtains the desired quality of service and achieves contractual value for money.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2022 (continued)

Engagement with Suppliers, Customers and Others in a Business Relationship with the Charity Suppliers (continued)

The Charity maintains a dedicated Finance and Contracts Management Group, whose function is to provide effective governance over the management of the Charity's key contracts and financial commitments by: monitoring compliance with contractual requirements; approving financial commitments within certain financial thresholds and reviewing those that are above the threshold. These then are reviewed by the Finance Committee, Charity Executive Team or Board of Directors, who can identify and recommend the implementation of controls of associated risks. In addition, the Finance Committee, a Board sub-committee chaired by one of our Non-Executive Trustees, provides further assurance and governance oversight of the Financial Management, Investment and Controls, which would include major supply agreements to the Charity Board.

Approval and Signing

The trustees/directors declare that they have approved the combined trustees' and directors' report above.

Signed on behalf of the Charity's trustees/directors:

Signature(s):	<i>Paul Burstow</i>	<i>Dr Vivienne McVey</i>
Full name(s):	Rt Hon Paul Burstow	Dr Vivienne McVey
Position:	Chairman	Chief Executive Officer
Date:	19 October 2022	19 October 2022

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022

Review of the Group's Business

Business Review

A financial review of the business has been carried out and is shown on pages 44 – 48.

Our New 2022-2027 Strategy

The seven key strategic priorities that we have identified for our 2022-2027 Strategy which aim to ensure that we are delivering our charitable purpose of promoting wellbeing, giving hope and enabling recovery wherever possible.

Quality of Care: We are focussing on delivering the highest quality care and recovery outcomes we can achieve.

Finance and Sustainability: Our charitable and strategic aims will be delivered through a values-driven financial culture, where income exceeds expenditure to enable reinvestment in our care and services.

Workforce Resilience and Agility: We aim to focus on the wellbeing and creativity of our staff and deliver an adaptive and resilient organisation that is capable of responding rapidly to both new opportunities and threats.

Partnerships and Promotion: We work in partnership with the NHS and other agencies and are seen as an anchor institution and valued local asset in all populations we serve.

Service Innovation: We aim to provide a range of care, support and treatment solutions that meet the expressed, observed and anticipated future needs of the population.

Education and Training: We provide education and training in mental wellbeing and leadership, providing patients and staff, and people beyond the organisation, with opportunities to learn, achieve and maximise their potential.

Research and Innovation: We aim to partner with the NHS, universities and other organisations to develop new therapies and treatments; improving patient outcomes with innovative ideas and technologies.

We have a detailed series of measurements for each Strategic theme, so that we are able to check whether we are on track to achieve what we set out to do. Our Executive team regularly meets to discuss progress against the Strategy, and the Board reviews the whole Strategy twice a year, and makes changes to the measurement, as some items are completed and further developments are agreed.

Although our strategy is in its early stages, we have made good progress with our plans so far. We look forward to updating you on our progress in next year's report.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Principal Risks and Uncertainties and Risk Management Statements

To support the delivery of high quality care to our patients, it is important for us to identify and understand the risks and uncertainties that could disrupt our care activities or could lead to loss or damage to our resources and properties. The better we are at anticipating and managing risks and uncertainties, the more effective and reliable we can be in delivering values-based patient outcomes and our strategic objectives.

Supported by a dedicated Risk Management function, our managers identify these risks and uncertainties and record them in 'risk registers' held within our automated risk management system, identifying who is responsible for monitoring and managing the risk, and whether any additional actions are required to reduce the uncertainty with the risk to an acceptable level. In accordance with good practice, the Charity maintains a hybrid model of risk management that includes a "Top-down" and a "Bottom-up" approach to identify and manage our three categories of risks, which are Strategic, Material and Operational. We classify both the Strategic and Material Risks as Principal Risks.

Strategic risks include such risks that are inherent to the delivery of the Charity's strategic objectives. The Strategic risks maintain a relation with the Operational risks as well as with Material risks. Material risks are risks which, by their potential impact or likelihood, could significantly impact the achievement of the Charity's operational objectives, with Operational risks impacting operational objectives and day to day activities across all functions.

Where managers identify a risk or uncertainty they believe could affect the wider Charity, they are considered for escalation to the Material Risk Register. These risks are reported to our Executive Team for review and discussion. If the Executive Team members collectively agree, these significant risks are adopted as 'Material Risks'. They are added to the register of 'Material Risks', assigned an overall Executive owner and allocated to the relevant Board Committee for monitoring and oversight purposes. The Material Risk Register is reviewed by the Executive Team on a monthly basis, and every individual 'Material Risk' is reviewed in detail at least once a quarter, with periodic deep dives completed on them by the relevant Board Committee.

Our Board of Trustees is responsible for ensuring the arrangements for identifying and managing risks are appropriate, and they review these (along with the Strategic and Material risks) at least annually. Strategic risks are monitored via the Board Assurance Framework, and this newly introduced framework is reviewed and discussed in detail at each Board meeting. The Audit and Risk Committee, who meet on a quarterly basis, review the register of 'Material Risks' at each meeting and monitor the risk management arrangements throughout the year to satisfy themselves that the approach is working effectively. They also provide oversight on the Board Assurance Framework process, ensuring that it is effective and enables the appropriate level of engagement in relation to risks. Additionally, the appropriate Board Committees have responsibility for completing structured 'deep dive' reviews of each of the Principal Risks that fall within their remit.

A summary of our current Principal Risks and Uncertainties is shown in the following table, along with an explanation of what we are doing to address them. All of the risks described within this section are classified as Principal Risks within the Charity's Risk Management Framework and are considered to be important to the future development, performance and position of the Charity.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Principal Risks and Uncertainties and Risk Management Statements (continued)

Risk Theme	Risk Description	Management Response
Strategy Delivery	<p>Failure to develop a robust mechanism to deliver, monitor and report progress on the strategic initiatives will increase the likelihood of one or more of the following:</p> <p>(1) non-achievement of the key Charity strategic objectives, (2) delayed / non-achievement of strategic milestones (3) sub-optimal performance on strategic initiatives (4) adverse publicity and reputational damage (5) insufficiency of initiatives to achieve strategic objectives, and (6) potential deterioration of, or loss of charitable agency.</p>	<p>To support the delivery of our strategy, we have developed detailed Implementation Plans, which are linked to Divisional / Functional strategic plans. Progress against the Charity's strategy is reviewed regularly by the Executive Team and the Board of Directors, and is supported by a Strategy Milestone Tracker.</p> <p>We also carry out regular Executive Strategy Milestone Review Deep Dives to help us to monitor and report progress on our strategic initiatives.</p> <p>We provide regular communications to staff to ensure that they are engaged with our strategy, and measure engagement through staff surveys.</p>
Quality of Services	<p>Failure to deliver high standards of clinical care and/or deliver services compliant to the required regulations and standards may result in (1) poor patient care, (2) sub-optimal quality of services, and (3) will result in regulatory breaches, regulatory interventions, reputational damage and potential financial implications.</p>	<p>The provision of high-quality services is of the utmost importance for the Charity. We take a cautious approach to risk of a sub-optimal quality of service, however we acknowledge that in order to achieve individual patient care, treatment and therapeutic goals there may be occasions when a low level of risk must be accepted. Where such occasions arise, we will support our staff to work in collaboration with those who use our services, to develop appropriate and safe care plans.</p> <p>Our service is underpinned by clinical and professional excellence and any risks that impact quality, could have significant consequences for our patients. We maintain a well-established Charity-wide clinical governance framework, with focused clinical governance meetings held across different levels within our services, at ward, divisional and executive levels. The framework ensures that there are clear reporting lines so that any areas of concern are escalated promptly. We have an evidence-based Quality</p>

		Improvement Programme, which enables us to record and monitor the improvements we are making to address any concerns regarding the quality of services.
Financial Objectives	Failure to achieve agreed financial objectives, control direct costs, together with lower than expected bed occupancy, will result in potential challenges for financial sustainability (including cash flow and bank credit facility) of the Charity questioning its going concern.	<p>The Charity is indirectly entrusted with public funds and must remain financially viable, while safeguarding the public purse. The Charity has no appetite for accepting or pursuing risks that would leave the organisation open to fraud or breaches of financial procedures. We strive to deliver our services within our budget and financial plans and will only consider accepting or taking financial risks where this is required to mitigate risks to patient safety or quality of care.</p> <p>We have developed a Cost Improvement Programme to identify and deliver recurrent savings and reduce our fixed cost base. Delivery of savings is monitored by the Finance Committee. The Charity has a number of mechanisms in place to help us to deliver services within annual budgets, which include daily staffing establishment reviews, occupancy reporting, and regular budget reviews. We have a well-established committee structure which helps us gain assurance regarding the delivery of our financial plans, including a Finance and Performance Committee and a Finance & Contracts Management Group. We produce and monitor bi-weekly and long-term cash flow forecasts to ensure that the Charity can meet its short-term and long-term financial obligations.</p>
Workforce	Failure to attract, recruit and retain the right number of qualified and skilled staff will increase the likelihood of one or more of the following implications: (1) Unsafe staffing levels across some or all services, (2) Breach of regulatory / contractual requirements, (3) Avoidable and undue pressure on existing staff affecting their morale, (4) Reduced health and wellbeing, and (5) Reputational damage, all of which have the potential to impact the quality and safety of patient care and the delivery of strategic business plans.	<p>The Charity is committed to recruit and retain staff that meet its high-quality standards and will provide ongoing development to ensure all staff reach their full potential. This key driver supports our values and objectives to maximise the potential of our staff to implement initiatives and procedures that seek to inspire staff and support transformational change, whilst ensuring the Charity remains a safe place to work. We adopt a conservative approach to manage this risk and for all decisions taken in relation to workforce We will not accept risks, nor any incidents or circumstances which may compromise the safety of any staff members and patients or contradict our values.</p> <p>To support our workforce we have an ongoing wellbeing programme through which staff can access our “In-house” occupational health service,</p>

		<p>a Specialist Trauma Counsellor, an Employee Assistance Programme, and a compassion focused staff support programme.</p> <p>We have a comprehensive People & Organisational Development Plan and associated guiding principles in place that drive the recruitment initiatives and plans, along with a number of retention focused recognition programmes.</p>
Organisational Culture	<p>Failure to foster a “Charity-wide” culture derived from our CARE values, which is positive and challenging, and promotes openness, transparency, diversity, inclusion, and ethical behaviour and drives a quality first ethos, will result in a disjointed and fragmented approach to delivery of strategic business plans and achievement of Charity-wide objectives.</p>	<p>As a healthcare provider, we recognise that our culture is crucial to ensuring the delivery of high-quality, safe and effective patient care. We strive to develop a culture that values our staff as individuals to ensure that we can attract and retain our caring staff.</p> <p>We have implemented a number of activities to ensure that the Charity maintains an ‘open’ culture. These include encouraging staff to speak up, supported by our Speak-up Policy, Employee Forum, 'Your Voice surveys', Whistle-blowing external hotline, Freedom to Speak Up Guardians, and our new Lead the Change programme. We believe that diversity is one of our Charity’s greatest strengths, contributing positively to our success and, most importantly, to the care we provide for our patients.</p>
Partnership Working	<p>Failure to identify and adapt to changing environment, and work closely with external partnerships to improve the delivery of patient care and/or seek new services will increase the likelihood of one or more of the following (1) Inability to solve genuine customer challenges. (2) Inability to be prominent at both a local and national level. (3) Reduced relevance with regards to strategic and operational agility. (4) Reduced ability to be collaborative through strategic alliances in offering contemporary care programmes; eventually leading to erosion of market share, patient base, loss of charitable agency, etc. ultimately leading to potential loss of long-term sustainability.</p>	<p>The Charity will maintain high standards of conduct, ethics and professionalism at all times. We have a conservative approach for actions and decisions taken in the interest of ensuring quality and sustainability that may affect the reputation of the Charity. Hence, we are working directly with partners in the oversight and delivery of services. We continue to develop our integrated campaign of promotion and marketing with distinct phases and messaging around how the Charity is changing. Our partnership with East Midlands Mental Health Alliance; pre-emptive and proactive engagement by our executives with stakeholders / key healthcare industry influencers (organisations, individuals) to represent the Charity and its perspective; execution of Reputational Improvement Plans; coupled with regular re-measure of the stakeholder perceptions; continue to avert significant short or long term damage to the Charity’s credibility and reputation.</p> <p>Our NHS Buddy Programme, which is being funded by NHS England, involves the sharing of best practice with Northamptonshire Healthcare</p>

		<p>NHS Foundation Trust and the wider members of East Midlands Mental Health Alliance. The programme has nine core areas of focus within this collaborative framework, aimed at improving patient care, staff wellbeing and the overall culture within the Charity.</p> <p>We continue to establish strong relationships with commissioners, regulators, regional and national teams, which can be demonstrated by our involvement in Provider Collaboration Partnerships.</p> <p>We also have an established Executive Director Relationship Programme to manage third party relationships which are critical to the Charity's Strategy.</p>
Strategic Asset Management	<p>Failure to acquire and maintain "right-sized" and "fit for purpose" strategic assets; coupled with ineffective management of the estate and IT infrastructure will result in (1) the inability to expand on the strategic aim relating to provision and fulfilment of community based beds, (2) higher cost of maintenance impacting financial sustainability, (3) potential breach of regulations, and (4) reputational damage. All of which collectively will impede the Charity in achieving its strategic objectives.</p>	<p>We know that the condition of our estate is integral to keeping patients and staff safe. We are committed to ensuring that our services are provided in buildings that are fit for purpose, are compliant with legislation and do not represent a health and safety risk.</p> <p>We ensure that the Charity has environments and equipment - Physical (Tangible) and Digital (Tangible / Intangible) that are adapted to patient needs and promote use of de-escalation. We have developed detailed functional strategies for the management of our estate and IT infrastructure, which are fully aligned with the Charity's overall strategy for 2022-27. We also have a robust Asset Management Policy, which is supported by internal performance reviews. Our backlog maintenance programme helps us to maintain compliance with regulatory requirements and external inspections.</p>
Service Innovation	<p>Failure to innovate and offer effective service offerings, newer ways to improve the delivery of patient care will increase the likelihood of one or more of the following, (1) Being perceived as an archaic service provider, (2) Being irrelevant with regards to the service offering, the care model, etc. (3) Being reactive as against being proactive; leading to potential impeding long-term sustainability.</p>	<p>The Charity takes a confident approach to manage risks associated with innovation, research and development in order to take forward our vision in relation to the new treatments, developments of new models of care and improvements in clinical practice that support the delivery of our person centred values and approach. The Charity will only take risks when it has the capacity to manage them and is confident that there will be no adverse impact on the safety and quality of the services provided.</p> <p>The Charity continually strives to identify new ways to improve the quality of clinical services for our patients. During the year we refreshed our strategy to develop a world-class research capability to benefit our patients, with</p>

		<p>increased focus on the further development of strong external partnerships, nurturing cultural change and encouraging sustainability. We aim to grow and manage a carefully selected portfolio of research and innovation projects to improve the overall care we provide and deliver maximum benefit to patients, with a particular focus on enabling them to recover, and return to the community as quickly as possible to lead fulfilling and rewarding lives.</p> <p>We have a robust Service Innovation Implementation Framework in place which guides the users for new services and innovative therapies. There are cross functional teams and groups such as the Therapies Advisory Group which oversees therapies and their impact along with appropriate horizon scanning to look at innovative therapies which may be incorporated.</p>
Integrated Healthcare	Insufficient depth and range of skills, capabilities, organisational frameworks and stakeholder support could compromise the development and delivery of effective integrated patient healthcare.	<p>We continue to strengthen the provision of physical healthcare for our patients, ensuring integration between our clinical software to improve the quality of patient records and patients across all of our locations having access to GP services. We are exploring long term sustainable solutions to focus on preventative physical healthcare. We have an approved physical healthcare strategy, which ensures that the Charity has the right resources and structure to deliver integrated physical and mental healthcare. All of these coupled with physical healthcare training, a comprehensive physical healthcare dashboard developed and reported to governance meetings makes us confident in addressing this risk.</p> <p>We have been able to sanitize the physical health data wherein we have focused on having the correct data available to clinicians regarding physical health to support clinical decision-making and systems to provide assurance. This is an ongoing exercise and the continued work being undertaken will improve the data being provided to Clinical Directors and Responsible Clinicians regarding physical health outcomes and measurements, supporting decision-making and aiding assurance processes.</p>
Cyber Risk and Resilience	Potential weaknesses in cyber security strategy and arrangements could render the Charity's information systems and applications vulnerable to external or internal	We have a well-established Information Security team and are continually improving our IT network and information systems to ensure that data is secure. We have brought about improvements to the privileged user

	<p>attack, increasing the risk of major systems disruption, data loss, 'ransom-ware' attack and potential financial impact.</p>	<p>management process, including the separation of privileged accounts and normal day-to-day accounts. We have introduced Multi-factor Authentication as a secondary form of authentication for all Charity accounts. We are also working on Patch & Vulnerability Management to remove the reliance on legacy applications and upgrade/refresh out of support infrastructure. This will reduce vulnerabilities within these systems/applications which create entry points for attackers.</p>
<p>Health and Safety Management</p>	<p>Failure to comply in our duties under the Health & Safety at Work Act (1974) and other regulations could compromise patient and staff safety, potentially leading to fines and sentencing of individual prosecution and litigation. Failure to prevent and control the risk of violence and aggression towards staff could result in prosecution or enforcement by the Health and Safety Executive, and damage the reputation of the Charity and its standing with Commissioners, Patients and their families.</p>	<p>The Charity holds patient and staff safety in the highest regard focussing on not compromising the safety. We therefore ensure our health and safety arrangements are effective, appropriate and adaptable to the broad range of activities our staff and patients are engaged in. However, recognising that clinical risk tolerance may on some occasions go above this, if it is in the best interests of patients to accept some therapeutic risks to encourage and improve patient recovery and to achieve the best outcomes.</p> <p>We take a cautious approach to address risks pertaining to Health and Safety management and take action to minimise risks to our staff. We continue to develop and improve our health and safety management system and a Health and Safety Business Partnership has been put in place. This is a key topic monitored by our Board of Directors and Charity Executive Team.</p> <p>We have taken measures to minimise the risk of violence and abuse towards staff, based upon risk assessment, staff training, and thorough investigation of incidents to ensure that lessons are learned, so that work areas can be made as safe as practicable.</p>

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Section 172 Statement

The Trustees of St Andrew's Healthcare are aware of their requirement under s.172 of the Companies Act 2006, to act in the way they consider, in good faith, would most likely promote the success of the Charity for the benefit of its patients, employees and other key beneficiaries and stakeholders, and in doing so, have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Charity's employees;
- the need to foster the Charity's business;
- the relationships with suppliers, customers and others;
- the impact of the Charity's operations on the community and the environment;
- the desirability of the Charity maintaining a reputation for high standards of business conduct, and
- the need to act fairly between members of the Charity.

The Trustees have taken steps to incorporate the s.172 requirements as part of the matters and decisions reserved for the Board, with due consideration given to potential impacts and risks for our stakeholders. The Trustees take account of these factors before making strategic decisions that they believe are in the best interests of the Charity and are in keeping with the Charity's purpose to relieve suffering, give hope and promote recovery.

The Charity recognises that it remains in a period of quality improvement, reflection and learning in response to a number of performance issues previously identified through our stakeholders, and the Trustees are aware of the significance of these areas when discharging their duties. Learning from previous decisions and actions, the Trustees ensure the Charity's strategy and vision considers the longer-term consequences for the Charity and its key beneficiaries and stakeholders. This is reflected in the revised Charity Strategy looking ahead to 2027 and beyond and laying the necessary foundations for the continued delivery of high quality care and recovery outcomes to our patients and service users through our quality first ethos.

The Board of Trustees regularly reviews our main stakeholders and how we engage with them and considers that the following groups are the Charity's key stakeholders. The Board looks at many ways to understand the respective interests of them and how they are properly considered in the Board's decisions. We have many ways of doing this, including reports and updates from members of management who directly engage with the stakeholders; direct engagement with them by the Trustees, membership and attendance of Board committees by representatives of the stakeholder groups and inclusion within Board papers of appropriate stakeholder interests in relation to proposed courses of action and potential decisions.

The section below provides examples of how we have engaged with them in the year, as well as demonstrating stakeholder considerations in the decision-making process.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Section 172 Statement (continued)

Patients

At the heart of the Charity are our patients and delivering the best outcomes possible. As such, it is crucial for the voice of our patients to be heard throughout the Charity, especially at Board level. Our Divisions and the Patient Experience Team have a range of initiatives to capture and act on patients' opinions and collaborate about decision making and service improvement, and a "Patient Voice" section is included on all Board agendas.

Trustees regularly attend our Birmingham, Essex and Northampton Service (BENS) bi-monthly meetings, to hear patients' views and concerns from across all three regional sites and services. The patient voice is heard at every meeting of the Board of Directors and wherever possible patients attend an element of the Board meeting to share their experience and discuss topics of interest with the Trustees and senior management. If a patient is unable to attend in person, they may make a video to share, join via Microsoft Teams, or produce their own presentation to be shown to the Board. This year we have had patients from our Personality Disorder Service, Autism Spectrum Disorder & Learning Disability Service, Locked and Specialist Rehab Division, our specialist Deaf services and Medium Secure Division, as well as carers for patients from our Neuropsychiatry Service, who all discussed their journeys and experiences, providing valuable insight into patient care from a patient's point of view. These patient-led sessions directly influence the decisions made at Board in relation to patient services and the impact of them is followed up at the relevant Board Committee.

Patient outcomes and their care is a central part of our Quality and Safety Committee and this Board Committee is chaired by one of our Non-Executive Trustees and includes two further Non-Executive and three Executive Trustees within its membership. The focussed discussions at these meetings help inform and support the decisions made in these areas by the Board and help shape the Quality element of the Charity's Strategy.

The Charity introduced a new Patient-focussed survey this year. The Patient Reported Experience Measures (PREMS) survey aims to capture patient feedback so that the Charity can make the necessary improvements to their care. The survey is designed to help improve the patient experience, as well as their care, and is designed to be completed by patients in around 10 minutes. Whilst the results are anonymised, they do feed into updates at divisional and Charity-wide groups and meetings and are regularly discussed at the Quality & Safety Committee.

Where a significant event is planned that may or may not impact patients, a Quality Impact Assessment is completed and overseen by our Executive Trustees, ensuring any impact on the quality of care given to our patients is given the highest priority during the decision process. Quality Impact Assessments are also discussed at our Quality & Safety Committee.

The Charity's revised Strategy, overseen by the Board via the relevant Board Committees and at regular focussed Board Strategy days, has clear objectives directly focused on the considerations of our patients, including outcomes, models of care, engagement, co-production, community services and estates management.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Section 172 Statement (continued)

Patients (continued)

The Board's People Committee, chaired by a Non-Executive Trustee, looks at all the Charity strategies relating to patient and carer engagement, patient co-production, staff engagement, diversity and inclusion, as well as the results and actions relating to both patient and staff surveys. As well as providing oversight and guidance on these strategies, the Committee provides a direct route to the Board agenda for patient, carer and employee focussed topics, ensuring that they remain a key element of Board decision making and are taken into account when discussing future Board strategies. There are patient, carer and employee representatives on the Committee, working alongside our Non-Executive and Executive Trustees, as well as key senior managers from across the Charity.

This year saw the appointment of Ruth Bagley as the designated Trustee for Safeguarding. This Non-Executive working in conjunction with our Chief Nurse and Executive Medical Director ensures that the Board remains sighted directly on safeguarding events and procedures, increasing the ability to respond to patient safeguarding concerns at the Board level.

Carers

We recognise that often our patients and service users are supported by a network of families, friends and carers and we welcome the experience and knowledge these carers contribute to our patients' and service users' recovery. In line with the principles of the Triangle of Care, it is key that we regard carers as partners and receive their input when making decisions that impact our patients and service users. To support this there is a Carer department that assists carers as required, as well as a support line which can be accessed from home, or all our hospital sites.

Within our Court of Governors are two constituency Governors who bring lived experience to the group, as they are both carers of people accessing secure mental health services. Their valuable insights contribute to the discussions at the Court of Governors.

We also have a Charity-wide Carers Advisory Group which meets bi-monthly and contributes to the development of services. Additionally, a "Carer Voice" section is included on Board agendas and includes discussions on feedback from carers, whether via a complaint, compliment, concern or comment.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Section 172 Statement (continued)

Employees

The Charity recognises the value of its employees and volunteers and the important role they have to play in its success. There is an annual "Your Voice" survey to capture information on employee opinion, which informs a yearly plan for improvement (You Said, We Did), which is reviewed and monitored by the People Committee and also submitted for review and approval by the Board. In addition, there are frequent employee engagement forums where employees can raise any concerns and have discussions on Charity matters.

This year, the Charity introduced the Lead the Change Programme. This employee-led programme brings together a large cross section of employees from across the Charity, who collectively will co-produce the way forward that defines the culture the Charity needs, creating the environment for our employees to deliver high quality care for our patients every day. We currently have 95 "Change Leaders" who liaise with senior management and Trustees, as well as with external partners and organisations, who meet regularly and who have dedicated time provided to them within their roles to carry out the Lead the Change activities. Regular updates on the progress being made are provided to both the People Committee and the Board.

The Charity has increased the number of "Freedom to Speak Up" Guardians this year, along with the appointment of a Lead Guardian. The Guardians provide confidential advice and support to employees about any concerns, they help create a culture of openness and support and provide guidance to employees to speak up, working collectively to remove any barriers that stop our employees from doing so. Regular reports on all these topics are shared directly with the Trustees, during Board meetings and one of our Non-Executives also acts as the designated Trustee for Whistleblowing, further enhancing the connection and ability to respond to employee concerns at Board level.

The Charity maintains four focussed employee Networks that support the Charity's Diversity and Inclusion Strategy, namely WiSH (Women in St Andrew's Healthcare), Unity (focussing on Black, Asian, Minority and Ethnic), DAWN (focussing on disability) and PRIDE (focussing on LGBTQ+). All these Networks have Executive sponsors and our Executives also actively take part in Network meetings and events, allowing the Board to remain sighted with any emerging discussions, themes or issues and the ability to consider them when making decisions.

Our Court of Governors also includes two dedicated Staff Governors, in order to bring the views and different experiences of the Charity's employees to the discussions at the Court of Governors, and therefore discussed with our Trustees.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Section 172 Statement (continued)

Governors

Whilst the Trustees understand their obligations to the Charity as Directors, the Charity operates an additional level of oversight through its Court of Governors. The Trustees meet with our Governors formally, four times each year, to provide updates on the Charity's performance and ability to meet its strategic objectives. This allows our Governors the opportunity to ensure that our Trustees are meeting their statutory obligations toward the Charity and acting in a way that promotes its success.

The introduction of the Lead Governor position this year, along with the forming of the Lead Governor Group, has increased the level of interaction and communication between the Court of Governors and the Trustees. These Governors regularly attend Board and Board Committees and there are regular meetings held between the Chair of the Charity, Chief Executive Officer and Lead Governor. This increase in interaction and discussions has seen a demonstrable improvement in the communication between the Court and the Trustees and an increased level of assurance gained by the Court through the increased level of scrutiny.

Governors have returned to making ward and service visits this year following a break during the pandemic. Many Governors perform ward and service visits, using the Visits Programme to review the care provided and feed this back to both ward management, the Executive Team, and the Board. The visits programme has been substantially updated this year following a review by members of the Lead Governor Group, our Constituency Governors, Governance Administrator and Company Secretary. Governor visibility on the wards gives an opportunity for both patients and staff to provide direct feedback that helps Governors in their role of holding the Charity's Board to account. Visits can also aid the improvement in Charity-wide services as they contribute to the sharing of good practice, as well as the highlighting of areas of potential concern that require follow-up with management.

Governors have an important role of reflecting the interests of the communities and the Charity they represent and bring valuable perspectives and contributions on their behalf to improve the Charity's health services for the future.

In addition to the Lead Governor Group, a number of Governors continue to sit on Board sub-committees, such as the Audit and Risk, Nominations and Remuneration, Research and People Committees providing valuable contributions to discussions and to the decisions taken.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Section 172 Statement (continued)

Regulators

As a result of the care that the Charity provides, we are subject to review through a number of external regulators. Our Trustees are committed to working closely with our regulators and taking account of their views. To this end the Charity meets regularly with a variety of these regulators to discuss ongoing matters but also to seek advice and guidance on decisions, including the Care Quality Commission, and the UK Health Security Agency.

We continue to work closely with the appropriate regulators in relation to managing our services throughout the Coronavirus Pandemic. This includes continuing with the specific Infection Prevention Control Quality Improvement programme alongside the UK Health Security Agency, which provides guidance on the direction and approach for our IPC methodology and culture within the Charity. As a provider of health and social care, Care Quality Commission standards must be met. We run our own internal quality assessments and have governance and reporting systems to monitor how services are doing. We work in a collaborative and transparent manner with our regulators to enable good service user outcomes. Governance and effective communication are key in fostering these relationships. The openness and level of cooperation of this relationship is set by the tone at Executive level where there is continuous engagement with the regulators. This is reflected locally, where heads of service develop and maintain relationships with inspectors.

The Charity's Board of Directors continue to hold part of their meetings as a Meeting in Public, with the agendas and papers shared on the Charity's website, allowing regulators, members of the public and other interested stakeholders to access and review discussions and decisions taken by the Board, as well as to raise questions in relation to the meeting's agenda. The Public element of Board meetings is also held as a "live" meeting via Microsoft Teams, allowing regulators and key stakeholders to dial in and observe the meeting as it takes place.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Section 172 Statement (continued)

Partners

Due to the nature of the Charity, we work closely with key partners throughout the country and value the role that they play in shaping our strategy. To support the Trustees in understanding this wide range of views, the Charity encourages open dialogue with our partners through a number of channels. We also work jointly with partners on initiatives both regionally and nationally that promote our mutual success and the best outcomes for our patients.

The Charity's revised Strategy contains a strategic priority area relating to Partnerships, with objectives focused on new service developments, research and education opportunities, strong external engagement, ensuring future service offerings are built on partnerships and a widening of our range of partners and external stakeholders. The Charity is a member of numerous Alliances and Provider Collaboratives within the East and West Midlands and continues to grow these partnerships via collaborative Board meetings. The development of these collaboratives and alliances is reviewed regularly by our Trustees via Board and Board Committees.

Alliances aim to build strong relationships with our NHS Partners and look at the direction and development of services, and are therefore an integral part of our future decision making processes. The Provider Collaboratives place the emphasis on collaboration rather than competition with providers to drive better patient outcomes. This has been particularly evident in the forming of a comprehensive quality improvement programme to help address some of the issues highlighted by our external regulators, delivered in partnership with members of the East Midlands Mental Health Alliance and led by Northamptonshire NHS Foundation Trust. Through a series of "Buddy Workstreams" our partners within the Alliance are supporting the Charity on its improvement programme in areas such as patient safety, culture, lessons learnt, quality improvement, workforce safeguarding and communications. As part of this formal buddying arrangement, the Charity has been able to welcome a senior employee from NHFT in the role of Quality Improvement Director who leads the Quality Improvement Programme.

New Community based partnerships continue to be created in line with our Strategy, with six individual community-based services now being operated by the Community Partnerships division. Representatives of the division have attended both the Quality and Safety Committee and Board to provide insight on the diverse nature of services provided and discuss the direction of future community partnerships, having a direct impact on decisions taken by the Board.

Our Trustees also work closely with key partners such as NHS England, Care Quality Commission and Commissioners to build understanding and awareness of the Charity's decisions and activities.

Suppliers

The Charity works with a wide range of suppliers, the majority situated within the UK. We remain committed to being fair and transparent in our dealings with all of our suppliers and wherever possible prioritising smaller suppliers in the local community.

The Charity undergoes due diligence before appointing any new suppliers, including a review of their internal governance, for example, their anti-bribery and corruption practices, data protection policies and modern slavery matters.

The Company has systems and processes in place to ensure suppliers are paid in a timely manner.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Key Performance Indicators

The Group measures its results using Key Performance Indicators ('KPI's'). Non-financial KPIs are included in the above Combined Trustees' and Directors' report on page 8, the main Financial KPI's are shown below:

KPI			2022	2021	Movement (%)
In-patient occupancy	Annual Avg	Volume	576	615	(6%)
In-patient occupancy % of available beds	Annual Avg	%	83%	81%	3%
Total Charity deficit	Annual Total	£m	(11.9)	(10.1)	(18%)
Loan balance	at 31st March	£m	(20.0)	(19.8)	(1%)
Investments held	at 31st March	£m	17.3	21.4	(19%)
Cash balance held	at 31st March	£m	10.9	10.3	6%
Current Assets to Current Liabilities ratio	at 31st March	Ratio	(0.6)	(0.9)	(33%)

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Financial Review of the Group

Income of the Group

	2022 £m	2022 %	2021 £m	2021 %
Income from:				
Donations	(0.2)	-	-	-
Charitable Activities	158.0	87.3	175.6	89.8
Other Trading Activities	22.9	12.6	19.7	10.1
Investments	0.3	0.1	0.3	0.1
Total Income	181.0	100.0	195.6	100.0

St Andrew's receives almost all of its income from NHS commissioners (directly from NHS or via Regional Provider Collaboratives) who aim to place patients with complex mental health needs with appropriate providers of care. Our other main source of funding is the Clinical Commissioning Groups (CCGs), which in July 2022 re-structured into Integrated Care Boards (ICBs) who commission our services for their patients with complex needs. We also have some specialist wards which are funded directly from NHS England (NHSE). The funding from NHSE, Regional Provider Collaboratives and CCGs is linked to each patient in our care and paid mainly on a per day basis for each day they are with us.

We also receive funding to support the provision of education for our patients, from the Education & Skills Funding Agency (ESFA) and Local Authorities. In addition, we operate regional commercial contracts delivering specialist services, and through St Andrew's Workbridge have funding to support external service users and generate income from our Café and Garden Centre.

Periodically we receive donations due to the generosity of our supporters, including ex-patients and their families, and the Fundraising and Donations Group is responsible for how any donations are spent and future development of policies around how we might actively seek funding through donations, grants and legacies. The Charity also receives a gift aid payment each year from St Andrews Property Management Limited representing the annual operating profits of that company. The Group does not currently actively seek donations from the public and as such does not undertake to be bound by any voluntary scheme or standard for regulating fundraising.

In total, funding received for charitable activities was £158.0m (2021: £175.6m), a decrease of 10.0% on the previous year. This reduction was as a result of the completion of our Transformation Programme over the last two years, and admission restrictions applied to some of our Women's wards following their CQC inspection in July 2021 (all restrictions removed by March 2022). Additionally, the impact of the pandemic has impacted the recruitment of healthcare workers across the sector and we have been limited in our staffing numbers to admit more patients. By the end of the financial year, all restrictions had been lifted.

We also receive income from other trading activities, mainly Three Shires Hospital LLP, which receives income from insurance companies and NHS bodies for general medical care totaling £19.5m (2021: £17.0m). Total income from trading activities was £22.9m (2021: £19.7m) in the year, which was an increase of 16.2% from the previous year, as Covid-19 restrictions began to be lifted. Income from investments in the year was £0.3m (2021: £0.3m).

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Financial Review of the Group (continued)

Expenditure of the Group

	2022 £m	2022 %	2021 £m	2021 %
Expenditure on:				
Charitable activities	(173.3)	90.2	(189.6)	91.7
Other trading activities	(17.7)	9.3	(16.2)	7.8
Raising funds	(0.9)	0.5	(1.0)	0.5
Total expenditure	(191.9)	100.0	(206.8)	100.0
Total income less total expenditure	(10.9)		(11.2)	
Net gain/(loss) on investments	0.7		2.0	
Taxation	(0.1)		-	
Net income attributable to non-controlling interests share	(1.7)		(0.9)	
Total net expenditure attributable to Charitable Group	(12.0)		(10.1)	
Other recognised gains/(losses)	0.1		-	
Deficit for year	(11.9)		(10.1)	

We are extremely conscious of our duty not only to provide the best outcomes for our patients but to do so in an efficient manner. Our aim is to maximise the impact of every pound spent on delivering outcomes for our patients.

In 2021/22, our total expenditure was £191.9m (2021: £206.8m), 7.2% less than in the previous year, resulting in a deficit (after other recognised losses) of £11.9m (2021: deficit of £10.1m). This reduction in expenditure over and above the previous year was as a result of a continuous cost-saving strategy across the Group to align costs with reduced revenue, although the implementation and impact of these initiatives continue into the future years. These costs savings have been offset by investment to ensure that our services are efficiently provided in the best environment, assets enhanced and respective improvements following the CQC inspection.

Charitable activities accounted for 90.2% of the group's expenditure, amounting to £173.3m (2021: £189.6m), and was used in either directly caring for our patients or providing the infrastructure and enabling services required to make that possible. The Group reported a £11.9m deficit (2021: £16.5m deficit) from underlying activities in the year but offset by a £nil surplus (2021: £6.4 surplus) from non-underlying activities.

Over the last three years we have been investing in major change initiatives aimed at reorganising the Charity to align all its resources in order to achieve better outcomes for patients, whilst dealing with the Covid-19 pandemic. The financial impact of this has resulted in another deficit for the year. However, the overall financial aim of the Charity is to make a surplus in some years enabling us to retain money in reserve, to withstand any challenging periods, whilst supporting the long-term charitable objectives and ensuring we have enough cash to continue to provide our services.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Financial Review of the Group (continued)

Forward Look

Following the progress of the major change initiatives, the Charity has moved into financial year 2022/23 with all admission restrictions lifted, and with the right environment for patients to begin to grow occupancy. In March 2022, we opened a new Men's Medium Secure ward and our first Acute ward in Essex. Both these wards are supported by the relevant commissioners and demonstrate the strength of our strategic partnerships.

In addition, in February 2022, we launched a new staffing model, which continues to be embedded within the wards ensuring we have the Right People, in the Right Place, at the Right Time. This will be further supported by the implementation of a new scheduling tool in Q2 22/23.

The Budget, approved by the Board in March 2022, projects that the Charity will report a smaller Net Deficit for 2022/23, moving to a Net Surplus in 2023/24 and thereafter.

In July 2022, a high level forecast was presented to the Board to demonstrate the budgeted Net Deficit was still achievable. This is the Base Financial Position for the Going Concern work where further risk scenarios have been modelled to ensure financial stability.

Summarised Balance Sheet of the Group

The Balance Sheet of the Group measures the assets and liabilities that the Group had on the final day of the year, 31 March 2022, and compares them with the same position a year earlier.

	2022 £m	2021 £m
Tangible and intangible fixed assets	199.4	211.1
Investments	17.3	21.4
Current assets	26.1	26.6
Current liabilities	(46.0)	(31.1)
Long term liabilities	(0.7)	(20.8)
Net assets	196.1	207.2
Total funds of the Charity	194.0	205.9
Non-controlling interests	2.1	1.3
Total funds	196.1	207.2

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Financial Review of the Group (continued)

Tangible and intangible fixed assets comprise of £196.7m (2021: £207.0m) of tangible assets, £2.7m (2021: £4.1m) of intangible assets. The total has reduced by £11.7m in the year. This movement is due to depreciation and impairment charges of £13.3m (2021: £15.3m) and disposals, which included Spring Hill House, with net book value of £1.7m. This reduction is offset by additional investment in tangible and intangible fixed assets of £4.4m (2021: £7.2m) in the year.

Current assets of £26.1m (2021: £26.6m) are mainly cash of £10.9m (2021: £10.3m) and debtors and stocks of £15.2m (2021: £16.3m), and our current liabilities of £46.0m (2021: £31.1m) are accruals, creditors and the bank loan of £20m (2021: £19.8m). At 31 March 2022 the bank loan became a short-term liability due to the expiry of the current facility at 31 December 2022; prior year this had been presented as a long-term liability. However, the new three-year facility agreed in September 2022 provides the long-term security required.

Subsequently long-term liabilities have reduced to £0.7m (2021: £20.8m).

Although the Group has net current liabilities of £19.9m (2021: £4.5m), overall the Group remains in a comfortable position, with reserves of £196.1m (2021: £207.2m). The Group has £7m of headroom remaining within the current revolving credit facility, ensuring the Group can comfortably fund any short and long-term financial requirements.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Financial Review of the Group (continued)

Investments Policy

The Charity takes into account social, environmental and ethical considerations when selecting investments, and this extends to investments managed by external fund managers.

The Group has investments that it uses to fund its long-term capital development programme, which means that in a challenging year, or one where we need to spend on "one-off" items, we can move into a deficit if we believe this is in the best interests of our long term charitable objectives. With this in mind, our overall investment objective is to maximise the returns the Group receives, while maintaining the capital value of investments in real terms over the long term. By the end of the financial year the investments had decreased by £4.1m due to a £5.0m drawdown to repay some of the current banking facility. These investments are managed by the Group's Fund Manager on a discretionary basis.

Reserves Policy

The Group currently has a restricted income fund, an unrestricted fund and a pension reserve. The restricted income fund is used for donations income of £5k or more that come with restrictions, less any qualifying expenditure that has been incurred in the year. The pension reserve is used for profits & losses of the Employer Financed Retirement Benefits Scheme' (or EFRBS). The unrestricted fund is used for all other profits & losses.

As the Charity transitions to a more efficient business model, getting to this stage has required a significant level of investment into the business, which has resulted in a deficit being incurred in the current and prior years. Consequently, the current level of reserves is very much in line with expectations but, should the unexpected happen, the Charity has a significant amount of assets it could use to bolster reserves without adversely affecting the running of the business or quality of patient care.

The long-term strategy may require an increase in borrowing against assets that the Board will monitor closely and is restricted by bank covenants where net debt cannot exceed three times profit before interest, tax and depreciation.

Going Concern

The Trustees have a responsibility to make sure that the Group continues in existence for the foreseeable future (at least 12 months from signing these accounts) and to do so they have to be assured that there are always sufficient funds to meet the Group's liabilities as they fall due.

The Trustees are confident that the Group remains a going concern, and have not identified any material uncertainty in their assessment. The Group has a bank facility that is sufficient to meet all foreseeable requirements, which is managed carefully and only drawn upon where additional funding is required. The existing banking credit facility expires 31 December 2022 at the level of £27m. Consequently, the Charity has undertaken a full commercial tender of a new banking facility, which was signed and commenced on 4 October 2022. The duration of the new facility is three years, with a further two-year extension option, and structured to provide £27m loan from commencement but reducing by £1m per annum to £22m by 30 September 2027. Securing the new loan facility was critical to supporting the Group's going concern.

The Charity's financial plan for 2022/23 and beyond creates financial stability, providing the platform for implementing the strategic plan, and projections are the Charity moves to a small surplus in future years with the ability to reduce the loan facility if suitable. This is predominantly supported by increased income

(inpatient occupancy grows as previous restrictions are removed) and a reduced cost base due to previously implemented and ongoing change programmes.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2022 (continued)

Going Concern (continued)

The Group's review of Going Concern has been extensive and included the financial impact over the next 18 months of ongoing operational staffing challenges, reduced admissions limiting the Charity's income, and significant further increase to inflation of all costs (reflecting existing economic pressures). All of the downside risk scenarios would be challenging for the Group, increasing cash requirements. However, this remains within the available loan facility and without breaching any covenant restrictions. The downside scenarios have been reviewed without any plausible mitigations within our control and consequently this mitigates the risk to the cumulative impact of multiple simultaneous downside scenarios occurring.

Therefore, in the Trustees' opinion these scenarios would not compromise the Group's ability to continue as a Going Concern, with a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and withstand any worst case scenarios that could occur. For this reason, the Trustees continue to adopt the Going Concern basis in preparing the presented Financial Statements.

Approval and Signing

The trustees/directors declare that they have approved the strategic report above. Signed on behalf of the Charity's trustees/directors:

Signature(s):	<i>Paul Burstow</i>	<i>Dr Vivienne McVey</i>
Full name(s):	Rt Hon Paul Burstow	Dr Vivienne McVey
Position:	Chairman	Chief Executive Officer
Date:	19 October 2022	19 October 2022

St Andrew's Healthcare

Independent auditor's report to the members and trustees of St Andrew's Healthcare

Opinion

We have audited the financial statements of St Andrew's Healthcare (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Funds and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.

Basis for opinion

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent charitable company 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

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

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 group's and parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the trustees with respect to going concern are described in the 'Responsibilities of trustees for the financial statements' section of this report.

St Andrew's Healthcare

Independent auditor's report to the members and trustees of St Andrew's Healthcare (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report, prepared for the purpose of company law, included in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Annual Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Annual Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, 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 misstatements, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

St Andrew's Healthcare

Independent auditor's report to the members and trustees of St Andrew's Healthcare (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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 that are applicable to the group and the sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), Charities SORP (FRS 102), the Companies Act 2006, Charities Act 2011, Children and Social Work Act 2017, Care Standards Act 2014 and Data Protection Act 2018;
- We understood how the group is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board and other minutes and through our legal and professional expenses review;
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
 - Challenging assumptions and judgements made by management in its significant accounting policies
 - Identifying and testing journal entries, with a focus on unusual journals with specific risk characteristics and large value journals
 - Identifying and testing related party transactions
 - Inspecting the board and other committee minutes
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item

St Andrew's Healthcare

Independent auditor's report to the members and trustees of St Andrew's Healthcare (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the charity sector
 - understanding of the legal and regulatory requirements specific to the group including:
 - the provisions of the applicable legislation
 - guidance issued by the Charity Commission.
- The team communications in respect of potential non-compliance with relevant laws and regulations included the potential for fraud in revenue through manipulation of income and management override of controls; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the group's control environment, including:
 - the policies and procedures implemented by the group to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations
 - the adequacy of procedures for authorisation of transactions and review of management accounts
 - procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

Use of our report

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



William Devitt
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
20 October 2022

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 200

St Andrew's Healthcare

Consolidated Statement of Financial Activities

For the Year Ended 31 March 2022

		Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	Note	£m	£m	2022 £m	£m	£m	2021 £m
Income from:							
Donations and legacies		(1.0)	0.8	(0.2)	(0.3)	0.3	-
Charitable activities	4,7	158.0	-	158.0	175.6	-	175.6
Other trading activities	5	22.9	-	22.9	19.7	-	19.7
Investments	6	0.3	-	0.3	0.3	-	0.3
Total		180.2	0.8	181.0	195.3	0.3	195.6
Expenditure on:							
Charitable activities	7	(173.2)	(0.1)	(173.3)	(189.6)	-	(189.6)
Other trading activities		(17.7)	-	(17.7)	(16.2)	-	(16.2)
Raising funds		(0.9)	-	(0.9)	(1.0)	-	(1.0)
Total		(191.8)	(0.1)	(191.9)	(206.8)	-	(206.8)
Net gains on investments	16	0.7	-	0.7	2.0	-	2.0
Net (expenditure) / income before tax		(10.9)	0.7	(10.2)	(9.5)	0.3	(9.2)
Taxation	9	(0.1)	-	(0.1)	-	-	-
Net (expenditure) / income after tax		(11.0)	0.7	(10.3)	(9.5)	0.3	(9.2)
Transfers between funds		-	-	-	-	-	-
Net income attributable to non-controlling interests share	8	(1.7)	-	(1.7)	(0.9)	-	(0.9)
Other recognised gains / (losses):							
Actuarial losses on defined benefit pension schemes	22	(0.1)	-	(0.1)	-	-	-
Other gains / (losses)	23	0.2	-	0.2	-	-	-
Net movement in funds		(12.6)	0.7	(11.9)	(10.4)	0.3	(10.1)
Reconciliation of funds:							
Total funds brought forward		204.6	1.3	205.9	215.0	1.0	216.0
Total funds carried forward		192.0	2.0	194.0	204.6	1.3	205.9

Included above are all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

St Andrew's Healthcare

Consolidated Balance Sheet

As at 31 March 2022

	Note	2022 £m	2021 £m *Restated
Fixed assets:			
Intangible assets	15	2.7	4.1
Tangible assets	15	196.7	207.0
Investments	16	17.3	21.4
		216.7	232.5
Current assets:			
Stocks		0.9	0.9
Debtors	17	14.3	15.4
Cash at bank and in hand	18	10.9	10.3
		26.1	26.6
Current liabilities:			
Creditors falling due within one year	19	(46.0)	(31.1)
Net current liabilities		(19.9)	(4.5)
Total assets less current liabilities		196.8	228.0
Creditors falling due after one year	19	(0.1)	(20.1)
Net assets excluding pension scheme liability		196.7	207.9
Defined benefit pension scheme liability	22	(0.6)	(0.7)
Total net assets		196.1	207.2
The funds of the Group:			
Restricted funds		2.0	1.3
Unrestricted funds		192.6	203.8
Revaluation reserve		-	1.5
Pension reserve		(0.6)	(0.7)
Total Group funds		194.0	205.9
Non-controlling interests		2.1	1.3
		196.1	207.2

*The restatement referred to above is explained in note 26.

The notes on pages 59 to 86 are an integral part of the financial statements.

The financial statements on pages 54 to 86 were approved by the Board of Directors on 19 October 2022 and were signed on its behalf by:

Paul Burstow

Rt Hon Paul Burstow
Chairman and Trustee

Kevin Mulhearn

Kevin Mulhearn
Chief Financial Officer and Trustee

Members of the Board of Directors of St Andrew's Healthcare Company number: 5176998

St Andrew's Healthcare

Company Balance Sheet

As at 31 March 2022

	Note	2022 £m	2021 £m *Restated
Fixed assets:			
Intangible assets	15	1.6	3.9
Tangible assets	15	206.7	217.2
Investments	16	17.3	21.4
		225.6	242.5
Current assets:			
Stocks		0.4	0.6
Debtors	17	11.8	13.0
Cash at bank and in hand	18	8.2	8.5
		20.4	22.1
Current liabilities:			
Creditors falling due within one year	19	(41.4)	(27.1)
		(21.0)	(5.0)
Net current liabilities		(21.0)	(5.0)
Total assets less current liabilities		204.6	237.5
Creditors falling due after one year	19	-	(20.0)
Net assets excluding pension scheme liability		204.6	217.5
Defined benefit pension scheme liability	22	(0.6)	(0.7)
Total net assets		204.0	216.8
The funds of the Charity:			
Restricted funds		2.0	1.3
Unrestricted funds		202.6	214.7
Revaluation reserve		-	1.5
Pension reserve		(0.6)	(0.7)
Total Charity funds		204.0	216.8

*The restatement referred to above is explained in note 26.

The Charity has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of financial activity. The Charity's net loss before other recognised gains was £11.4m (2021: net loss £11.8m).

The notes on pages 59 to 87 are an integral part of the financial statements.

The financial statements on pages 54 to 87 were approved by the Board of Directors on 19 October 2022 and were signed on its behalf by:

Paul Burstow

Rt Hon Paul Burstow
Chairman and Trustee

Kevin Mulhearn

Kevin Mulhearn
Chief Financial Officer and Trustee

Members of the Board of Directors of St Andrew's Healthcare Company number: 5176998

St Andrew's Healthcare

Consolidated Cash Flow Statement

For the Year Ended 31 March 2022

	Note	2022 £m	2021 £m *Restated
Net cash from operating activities	24	(0.3)	2.2
Taxation paid		-	-
Net cash generated from operating activities		(0.3)	2.2
Cash flows from investing activities			
Dividends received on investments		0.3	0.3
Proceeds from sale of tangible & intangible assets		1.8	25.0
Purchase of tangible & intangible assets		(4.4)	(7.2)
Proceeds from sale of investments		7.6	3.0
Purchase of investments		(2.8)	(3.3)
Net cash generated from investing activities		2.5	17.8
Cash flows from financing activities			
Repayments of borrowing		-	(18.8)
Cash inflows from new borrowing		0.2	4.0
Interest paid on loans		(0.9)	(1.0)
Dividends paid to non-controlling interests		(0.9)	(1.6)
Repayment of obligations under finance leases		(0.1)	(0.2)
Net cash used in financing activities		(1.6)	(17.6)
Change in cash and cash equivalents in the reporting year		0.6	2.4
Cash and cash equivalents at the beginning of the reporting year		10.3	7.9
Cash and cash equivalents at the end of the reporting year	18	10.9	10.3

*The restatement referred to above is explained in note 26.

St Andrew's Healthcare

Consolidated Statement of Changes in Funds

For the Year Ended 31 March 2022

	Profit & Loss Reserve £m	Revaluation Reserve £m	Pension Reserve £m	Non-controlling Interests £m	Group Total £m
Balance as at 1 April 2021	205.1	1.5	(0.7)	1.3	207.2
Total net movement in deficit in the year	(12.0)	-	0.1	-	(11.9)
Revaluation reserve movement	1.5	(1.5)	-	-	-
Profit attributable to non-controlling interests	-	-	-	1.7	1.7
Dividends paid to non-controlling interests	-	-	-	(0.9)	(0.9)
Balance as at 31 March 2022	194.6	-	(0.6)	2.1	196.1
Balance as at 1 April 2020	216.6	-	(0.6)	2.0	218.0
Total net movement in deficit in the year	(10.0)	-	(0.1)	-	(10.1)
Revaluation reserve movement	(1.5)	1.5	-	-	-
Profit attributable to non-controlling interests	-	-	-	0.9	0.9
Dividends paid to non-controlling interests	-	-	-	(1.6)	(1.6)
Balance as at 31 March 2021	205.1	1.5	(0.7)	1.3	207.2

St Andrew's Healthcare

Notes to the Financial Statements

1 General Information

St Andrew's Healthcare ("the Charity") is incorporated and registered in England and Wales as a charity and as a private company limited by guarantee. The address of its registered office is Billing Road, Northampton, Northamptonshire NN1 5DG.

The Charity has no share capital and is limited by guarantee. Each of the members has a liability of £1 should there be a deficit of assets after meeting liabilities on winding up.

2 Accounting Policies

Basis of Preparation

The financial statements of the Group and Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102 (Charities SORP FRS 102 (2019)), the Companies Act 2006 and the Charities Act 2011.

Going Concern

The Trustees have a responsibility to make sure that the Group continues in existence for the foreseeable future (at least 12 months from signing these accounts) and to do so they have to be assured that there are always sufficient funds to meet the Group's liabilities as they fall due.

The Trustees are confident that the Group remains a going concern, and have not identified any material uncertainty in their assessment. The Group has a bank facility that is sufficient to meet all foreseeable requirements, which is managed carefully and only drawn upon where additional funding is required for the immediate future. The existing banking credit facility expires 31 December 2022 at the level of £27m. Consequently, the Charity has undertaken a full commercial tender of a new banking facility, which was signed and commenced on 4 October 2022. The duration of the new facility is three years, with a further two-year extension option, and structured to provide £27m loan from commencement but reducing by £1m per annum to £22m by 30 September 2027. Securing the new loan facility was critical to supporting the Group's going concern.

The Charity's financial plan for 2022/23 and beyond creates financial stability, providing the platform for implementing the strategic plan, and projections are the Charity moves to a small surplus in future years with the ability to reduce the loan facility if suitable. This is predominantly supported by increased income (inpatient occupancy grows as previous restrictions are removed) and a reduced cost base due to previously implemented and ongoing change programmes.

The Group's review of Going Concern has been extensive and included the financial impact over the next 18 months of ongoing operational staffing challenges, reduced admissions limiting the Charity's income, and significant further increase to inflation of all costs (reflecting existing economic pressures). All of the downside risk scenarios would be challenging for the Group, increasing cash requirements. However, this remains within the available loan facility and without breaching any covenant restrictions. The downside scenarios have been reviewed without any plausible mitigations within our control and consequently this mitigates the risk to the cumulative impact of multiple simultaneous downside scenarios occurring.

Therefore, in the Trustees' opinion these scenarios would not compromise the Group's ability to continue as a Going Concern, with a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and withstand any worst case scenarios that could occur. For this reason, the Trustees continue to adopt the Going Concern basis in preparing the presented Financial Statements.

St Andrew's Healthcare

Notes to the Financial Statements (continued)

2 Accounting Policies (continued)

Basis of Consolidation

The Group's consolidated financial statements include the financial statements of the Charity and all of its subsidiary undertakings:

- St Andrew's Healthcare, the Charity;
- St Andrew's Foundation for Mental Health, a wholly owned subsidiary of St Andrew's Healthcare (dormant since 2017);
- St Andrews Property Management Limited, a wholly owned subsidiary of St Andrew's Healthcare;
- Three Shires Hospital LLP, a subsidiary of St Andrews Property Management Limited; and
- The Pavilion Clinic Ltd, a subsidiary of Three Shires Hospital LLP.

All the subsidiaries of the Charity are incorporated in the United Kingdom and have a year end of 31 March. Uniform accounting policies have been adopted across the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. New subsidiaries included in the Group for the first time are consolidated from the date of acquisition.

Income

Income from charitable activities largely consists of fees for the provision of services and facilities to our service users. This is recognised when the service has been provided, the Charity has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Donated services from our volunteers are not included within the financial statements. Volunteers perform various roles, mainly involving therapeutic activities, patient events and befriending patients. Volunteer contribution is not included as income, as it is impractical to value.

Income from other trading activities consists of income generated by subsidiary undertakings through provision of goods and services and income generated by the Charity in respect of its garden centre and coffee shop. This income is recognised to the extent that the service has been provided, or the significant risks and rewards of ownership have transferred to the buyer in the case of goods, receipt is probable and the income can be reliably measured.

Investment income in relation to dividends and interest is recognised when receivable.

Donations received that are restricted in nature are deferred on the Balance Sheet until qualifying expenditure has been incurred and then an appropriate amount of the donation income is released to the Statement of Financial Activities to match it. These are monitored through the Fundraising & Donations Committee. Donations received that are not restricted including gift aid amounts of profits from subsidiary undertakings are recognised in the Statement of Financial Activities once entitlement to the income has been determined.

St Andrew's Healthcare

Notes to the Financial Statements (continued)

2 Accounting Policies (continued)

Expenditure

Expenditure is accounted for on an accruals basis and is classified under headings that aggregate costs related to that category and includes estimations where actual cost data is unavailable. Liabilities are recognised when an obligation exists, it is probable that settlement will be required, and the amount can be measured or estimated reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred, or capitalised as part of the cost of the related asset, where appropriate.

Non-underlying items

In order to illustrate the underlying performance of the Group, presentation has been made of performance measures excluding those items which it is considered would distort the comparability of the Group's results. These non-underlying items are defined as those items that, by virtue of their nature, size or expected frequency, warrant separate additional disclosure in the financial statements in order to fully understand the underlying performance of the Group.

Employee Benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and pension plans.

- i. Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the year in which the service is received.
- ii. The Group has two types of pension schemes, defined contribution and defined benefit. The assets of these are held separately from each other and those of the Group in independently administered funds.
 - a. A defined contribution plan is a pension plan under which contributions are paid into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.
 - b. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. The contributions are recognised as an expense in the Statement of Financial Activity when they are due. A defined benefit plan is a pension plan that is not a defined contribution plan. The defined benefit plan was closed to new entrants on 1 April 2003 and closed to future accrual from 31 March 2012. The fair values of plan assets and liabilities are measured in accordance with FRS 102 by independent actuaries. Any surplus of assets over liabilities is not recognised as the Charity is not entitled to a refund of any of the surplus.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

St Andrew's Healthcare

Notes to the Financial Statements (continued)

2 Accounting Policies (continued)

Employee Benefits (continued)

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

If (and when) the defined benefit obligations exceed the fair value of plan assets, an amount equal to this is recognised as a liability in the Group's balance sheet.

Investments

Investments comprise investment properties, stock market investments and investments in subsidiaries & joint ventures. Investment properties are revalued by specialist independent valuers annually unless evidence gained indicates the market value has not materially changed from the prior year. Stock market investments are revalued using the latest available mid-market prices at the year end. Investments in subsidiaries & joint ventures are held at cost. Investment gains and losses are reported in the Statement of Financial Activities.

Stocks

Stock is included at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

Service Users Funds

The Charity holds cash in current accounts on behalf of Service Users. The asset (being the amount held at the bank) is shown within cash at bank and in hand and the liability (being the offsetting amount payable to Service Users) is shown within other creditors.

Cash at Bank and in Hand

Cash at bank and in hand includes cash and any short term highly liquid investments that are not volatile in value and have a short maturity of three months or less from the date of acquisition or deposit.

Financial instruments

i. Financial Assets

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets include trade and other receivables and cash, and bank balances are initially recognised at fair value, being the transaction price. Such assets are subsequently carried at amortised cost using the effective interest method.

Other financial assets, including investments in equity instruments that are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Consolidated Statement of Financial Activities.

St Andrew's Healthcare

Notes to the Financial Statements (continued)

2 Accounting Policies (continued)

Financial instruments (continued)

Basic financial assets are recognised at cost (being transaction price) and subsequently measured at amortised cost using the effective interest rate method. For trade and other receivables, cash and bank balances, their settlement value (net of any discount offered or provision for doubtful debt) is used to determine fair value. For investments in equity instruments which are not subsidiaries, market value is used to determine fair value. Any changes in fair value are recognised in the consolidated statement of financial activities.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in net income in finance costs or finance income as appropriate.

ii. Financial Liabilities

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price. Bank loans are subsequently carried at amortised cost, using effective interest rate method. They are then subsequently carried at amortised cost, calculated using the effective interest rate method.

Fixed Assets

Items classified as fixed assets are those that provide an ongoing economic benefit (by generating income or contributing to the Charity's objectives) for more than one year. Cost includes the purchase price of the asset, expenses attributable to bringing the asset to working condition, and any capitalised borrowing costs.

Tangible Fixed Assets

Tangible fixed assets are measured at cost, less accumulated depreciation, and any recognised provision for impairment. Depreciation is calculated to write down the cost of assets to their residual values, over their expected useful lives, on a straight-line method, on the following bases:

- Freehold land & buildings
Land: is not depreciated
New buildings: 50 years
New building fit-out: 3 years
Building extensions: 25 years
Building refurbishments: 10 or 15 years (major refurbishments)
- Assets under construction: are not depreciated
- Fixtures, fittings, machinery & equipment: 3 to 5 years (or the lease term if shorter)
- Motor vehicles: 5 years (or the lease term if shorter)

St Andrew's Healthcare

Notes to the Financial Statements (continued)

2 Accounting Policies (continued)

Fixed Assets (continued)

Intangible Fixed Assets

- i. Software is measured at cost less accumulated depreciation and any recognised provision for impairment. Software is depreciated in equal instalments over its estimated useful economic life (three to five years). Software assets in the course of construction are not depreciated.
- ii. Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis over its useful economic life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting year. The effect of any change is accounted for prospectively.

Funds

Unrestricted funds are available to spend as the Trustees see fit, in accordance with the objectives of the Charity.

Restricted funds are donations that the donor has specified are to be solely used for particular areas of the Charity's work.

3. Accounting Estimates and Judgements

In the application of the Charity's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

a. Critical Judgements in Applying the Group's Accounting Policies

Control of Three Shires Hospital LLP

Assessing whether the Group controls Three Shires Hospital LLP requires judgement. St Andrews Property Management Limited holds 50% of the issued share capital of the partnership and the Group has a controlling interest in this company through the provisions of a LLP members' agreement giving the Group the power to appoint the Chairman and under certain circumstances, exercise a casting vote. The Group considers that this demonstrates control of Three Shires Hospital LLP. See notes 8, 13 and 14.

Assessment of Going Concern

The ability of the Charity to continue to operate as a Going Concern requires judgement over the ongoing financial and operation projections and also the impact of risks that present themselves to the Charity. The consideration of risk requires management judgement at the point of going concern assessment and the judgements made are included on pages 29-35 of the strategic report.

St Andrew's Healthcare

Notes to the Financial Statements (continued)

3. Accounting Estimates and Judgements (continued)

Accounting Estimates and Assumptions

The preparation of these financial statements includes estimation; relevant estimates are disclosed below:

Depreciation, Amortisation and Impairment of Fixed Assets

When calculating depreciation and amortisation, the residual value of fixed assets (with the exception of land and assets under construction) is assumed to be zero, as the intention is to keep fixed assets for their entire useful economic lives. Residual values and useful economic lives are reviewed annually at the end of the reporting year, with any appropriate adjustments being made via depreciation, amortisation and impairment of fixed assets. See notes 7, 15 and 24.

Defined Benefit Pension Scheme

The value of assets and liabilities of the scheme are estimated annually by an independent and qualified actuary. The cost of the benefits and the present value of future obligations depend on a number of factors, including life expectancy, inflation, asset valuations and the discount rate. Assumptions made in relation to these factors are based on years of past experience and current trends. However, they are tested for accuracy on a regular basis, with appropriate recommendations being made by the actuary to ensure the scheme remains solvent. See notes 21, 22 and 24.

Investment Property Valuations

Investment properties are revalued annually (unless evidence gained indicates the market value has not materially changed from the prior year) by independent valuers using a combination of estimated future rental income and potential market value for development of the site. Whilst factors outside the control of valuers such as a global pandemic could affect property valuations, revaluations are based on years of past experience and current trends in the property market. See notes 16 and 23.

4. Income from Charitable Activities

Relates entirely to providing care for individuals either in inpatient or community based services.

5. Income from Other Trading Activities

	2022 £m	2021 £m
Three Shires Hospital LLP - healthcare activities	19.5	17.0
The Pavilion Clinic Ltd - healthcare activities	2.5	2.0
Other - healthcare related services	0.4	0.2
Rental income	0.5	0.5
	22.9	19.7

St Andrew's Healthcare

Notes to the Financial Statements (continued)

6. Income from investments

	2022 £m	2021 £m
Dividends received on investments	0.3	0.3
Interest received	-	-
	0.3	0.3

7. Expenditure on Charitable Activities

	2022 £m	2021 £m
Staff costs		
Wages and salaries	118.0	129.5
Social security costs	10.5	10.8
Other pension costs	4.2	4.5
Training	0.9	1.0
Other	0.9	0.7
Facilities and residents' amenities	11.8	13.5
Administration	12.6	13.7
Advertising	-	0.1
Depreciation, amortisation and impairment	13.3	15.1
Loss on sale of tangible & intangible assets	0.8	0.2
Operating lease costs – plant and machinery	-	-
External governance costs		
External statutory audit	0.1	0.2
External non-audit services	-	-
External legal advice	0.2	0.3
Total for the Group	173.3	189.6

Staff costs include £1.0m (2021: £2.6m) in relation to redundancy and termination payments where individuals were notified during the financial year. The aggregate amount of compensation paid to directors or past directors in respect of loss of office was £0.1m (2021: £0.1m). £0.6m is accrued at the year-end (2021: £0.1m).

Non-Underlying Items in the Current Year

There are no underlying items in the current year.

Non-Underlying Items in the Prior Year

We sold our hospital at Nottingham, which generated a profit on disposal of land & buildings of £8.4m and incurred redundancy costs of £2.0m in relation to the closure of this site. Both of these amounts have been included in the statement of financial activities under charitable activities.

St Andrew's Healthcare

Notes to the Financial Statements (continued)

7. Expenditure on Charitable Activities (continued)

Expenditure on charitable activities by fund type

Activity	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	2022	2022	2022	2021	2021	2021
	£m	£m	£m	£m	£m	£m
Patient/Service User Services	117.9	-	117.9	116.4	-	116.4
Support Services	49.9	0.1	50.0	67.9	-	67.9
Education & Research	5.4	-	5.4	5.3	-	5.3
	173.2	0.1	173.3	189.6	-	189.6

Expenditure on charitable activities by activity type

Activity	Activities undertaken directly	Grant funding of activities	Support costs	Total	Activities undertaken directly	Grant funding of activities	Support costs	Total
	2022	2022	2022	2022	2021	2021	2021	2021
	£m	£m	£m	£m	£m	£m	£m	£m
Patient/Service User Services	117.9			117.9	116.4			116.4
Support Services	-		50.0	50.0	-		67.9	67.9
Education & Research	7.8	(2.4)		5.4	7.9	(2.6)		5.3
	125.7	(2.4)	50.0	173.3	124.3	(2.6)	67.9	189.6

8. Non-Controlling Interests Share of Net Income

	2022 £m	2021 £m
Non-controlling interest in Three Shires Hospital LLP	1.4	0.8
Non-controlling interest in The Pavilion Clinic Ltd	0.3	0.1
	1.7	0.9

St Andrew's Healthcare

Notes to the Financial Statements (continued)

9. Taxation

The Charity is exempt from taxation in respect of income and capital gains received within categories covered under Part 11 Chapter 3 Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The Charity's subsidiaries are subject to corporation tax and deferred tax in the same way as commercial organisations.

The tax charge on the profit on ordinary activities of the subsidiaries was:

	2022 £m	2021 £m
Current tax:		
UK corporation tax	0.1	-
Adjustments in respect of prior year	-	-
Total current tax	0.1	-
Tax on profit on ordinary activities of subsidiaries	0.1	-

Factors Affecting Tax Charge

The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £m	2021 £m
Profit on ordinary activities of subsidiaries before tax	4.1	1.7
Less profit not subject to corporation tax	(2.8)	(1.6)
Profits subject to corporation tax	1.3	0.1
 Profit on ordinary activities multiplied by standard rate of UK corporation tax of 19% (2021: 19%)	 0.2	 -
Effects of:		
Adjustments to tax in respect of prior years	-	-
Losses arising in the year not relievable against current tax	(0.2)	-
Total tax charge for the year	-	-

St Andrew's Healthcare

Notes to the Financial Statements (continued)

10. Staff numbers

The average monthly numbers of employees (including Directors) were:

	Consolidated Group		Charitable Company	
	2022 FTE	2021 FTE	2022 FTE	2021 FTE
Care for service users	3,265	3,683	3,265	3,683
Other healthcare related services	228	221	44	49
	3,493	3,904	3,309	3,732

11. Emoluments Analysis

The number of employees whose total employee benefits excluding pension contributions for the year from £60,000 upwards is as follows:

	2022 Number	2021 Number
£60,000 to £70,000	65	46
£70,001 to £80,000	35	32
£80,001 to £90,000	27	5
£90,001 to £100,000	10	12
£100,001 to £110,000	11	8
£110,001 to £120,000	10	6
£120,001 to £130,000	7	6
£130,001 to £140,000	9	9
£140,001 to £150,000	3	5
£150,001 to £160,000	4	4
£160,001 to £170,000	5	2
£170,001 to £180,000	1	5
£180,001 to £190,000	5	2
£190,001 to £200,000	2	1
£200,001 to £210,000	1	-
£210,001 to £220,000	3	1
£230,001 to £240,000	1	1
£290,001 to £300,000	1	-
£320,001 to £330,000	-	1
	200	146

St Andrew's Healthcare

Notes to the Financial Statements (continued)

12. The Cost of Key Management Personnel

Amounts paid to key management personnel is shown in this table, explanatory notes are also included below.

		Salaries / fees £'000	Pension ¹ £'000	Other Benefits ⁵ £'000	Total £'000	Expenses ² £'000
2022						
Rt Hon Paul Burstow	Chairman ⁴	50	-	-	50	-
Stuart Richmond-Watson		-	-	-	-	-
Anne Tansi Harper	(Resigned 30.04.21)	-	-	-	-	-
Elena Lokteva		-	-	-	-	1
Andrew Lee		-	-	-	-	-
Professor David Sallah	(Resigned 31.08.22)	-	-	-	-	-
Stanton Newman		-	-	-	-	-
Ruth Bagley	(Appointed 01.06.21)	-	-	-	-	-
Non-Executive Director Total		50	-	-	50	1
Katie Fisher	CEO (Resigned 01.12.21)	261	-	29	290	-
Jess Lievesley	Deputy CEO (until 10.10.21), Interim CEO (until 30.6.22)	208	7	9	224	1
Alexandra Owen	CFO (Resigned 31.03.22)	190	8	8	206	-
Kevin Mulhearn	Interim CFO (Appointed 31.03.22)	-	-	-	-	-
Martin Kersey	HR Director	182	-	31	213	-
Dr. Sanjith Kamath	Medical Director	216	1	17	234	1
Andrew Brogan	Chief Nurse	175	7	9	191	-
Key management personnel who are not Trustees ³		402	12	15	429	2
Executive Director Total		1,634	35	118	1,787	4
Duncan Long	Company Secretary	93	4	6	103	-
Total		1,777	39	124	1,940	5

Sub notes

- 1 Relates to contributions made to the defined contribution scheme.
- 2 Expenses relate to travel and subsistence.
- 3 Key management personnel include John Clarke - Chief Information Officer (full year), Alastair Clegg – Chief Operating Officer (01.04.21 - 31.10.21), Kevin Mulhearn – Interim Chief Finance Officer (01.03.22 – 30.03.22) and Alex Trigg - Director of Estates & Facilities (27.01.22 - 31.03.22). Salaries / fees includes compensation for loss of office payments totalling £101,602 paid to Alastair Clegg.
- 4 Fees for the services of the Rt Hon Paul Burstow were invoiced by Indy Associates Ltd.
- 5 Other benefits include pension compensation and car scheme payments.

St Andrew's Healthcare

Notes to the Financial Statements (continued)

12. The Cost of Key Management Personnel (continued)

		Salaries / fees £'000	Pension ¹ £'000	Other Benefits ⁵ £'000	Total £'000	Expenses ² £'000
2021						
Rt Hon Paul Burstow	Chairman (Appointed 01.10.20) ⁴	25	-	-	25	-
Dr Peter Carter OBE	Chairman (Resigned 30.09.20)	25	-	-	25	-
Stuart Richmond-Watson		-	-	-	-	-
Frances Jackson	(Resigned 24.07.20)	-	-	-	-	-
Jane Forman Hardy	(Resigned 24.07.20)	-	-	-	-	-
Dr Michael Harris	(Resigned 30.04.20)	2	-	-	2	-
Paul Parsons	(Resigned 31.03.21)	-	-	-	-	-
Anne Tansi Harper	(Appointed 01.05.20, resigned 30.04.21)	-	-	-	-	-
Elena Lokteva	(Appointed 01.05.20)	-	-	-	-	-
Andrew Lee	(Appointed 01.05.20)	-	-	-	-	-
Professor David Sallah	(Appointed 01.05.20)	-	-	-	-	-
Stanton Newman	(Appointed 01.05.20)	-	-	-	-	-
Non-Executive Director Total		52	-	-	52	-
Katie Fisher	Chief Executive Officer (Resigned 01.12.21)	293	-	31	324	-
Alexandra Owen	Chief Finance Officer	178	7	9	194	1
Martin Kersey	Executive HR Director	182	-	31	213	-
Dr. Sanjith Kamath	Executive Medical Director	217	1	17	235	-
Lisa Cairns	Chief Nurse (Resigned 01.05.20)	13	1	1	15	-
Andrew Brogan	Chief Nurse (Appointed 01.11.20)	73	2	3	78	-
Jess Lievesley	Deputy Chief Executive Officer (Appointed 01.08.20)	123	5	6	134	-
Alastair Clegg	Chief Operating Officer (Appointed 01.08.20, resigned 31.10.20)	40	2	2	44	-
Key management personnel who are not Trustees ³		581	21	25	627	3
Executive Director Total		1,700	39	125	1,864	4
Duncan Long	Company Secretary (Appointed 01.04.20)	93	4	6	103	-
Total		1,845	43	131	2,019	4

The legal authority under which payments are made to both Non-Executive and Executive Trustee Directors are provided in the governing documents of the Charity.

The Board has recognised the need to attract and retain able executives to manage the day to day affairs of the Group. The pay of senior executives is determined by the Remuneration Committee, which benchmarks these remuneration packages with those paid by the NHS and peers within the Charity, as well as the broader independent sector with whom it competes and similar sized commercial organisations from which it recruits.

Sub notes

- 1 Relates to contributions made to the defined contribution scheme.
- 2 Expenses relate to travel and subsistence.
- 3 John Clarke - Chief Information Officer (full year), Lisa Cairns - Period since leaving position as Acting Chief Nurse (02.05.20 - 28.02.21), Alastair Clegg - Periods when not Acting Chief Operating Officer (01.04.20 - 31.07.20 and 01.11.20 - 31.03.21) and Jess Lievesley - Period prior to appointment as Deputy Chief Executive Officer (01.04.20 - 31.07.20). Salaries / fees includes compensation for loss of office payments totalling £114,860 paid to Lisa Cairns.
- 4 Fees for the services of the Rt Hon Paul Burstow were invoiced by Indy Associates Ltd.
- 5 Other benefits include pension compensation and car scheme payments.

St Andrew's Healthcare

Notes to the Financial Statements (continued)

13. Related Party Transactions

Consolidated Group

The Group has not entered into any transactions with Trustee Directors or the Company Secretary during the year, except for the transactions disclosed in note 12 (2021: nil). There are no related party transactions with Group companies other than those noted below:

Entity with Significant Control over Three Shires Hospital LLP

Trading and balances between Three Shires Hospital LLP and the Charity was as per below:

	2022 £m	2021 £m
Charges to Three Shires Hospital LLP by the Charity		
Management charges	1.4	0.9
Purchased goods and other recharges	0.4	0.4
Amounts owed by Three Shires Hospital LLP to the Charity at year end	0.2	0.2

In 2020 and 2021 there is no fixed date for repayment and no interest is charged on the amounts owed.

Entity with significant control over The Pavilion Clinic Ltd

Trading and balances between The Pavilion Clinic Ltd and Three Shires Hospital LLP was as per below:

	2022 £m	2021 £m
Recharges to The Pavilion Clinic Ltd by Three Shires Hospital LLP	-	0.1

In 2021 and 2022 there are no amounts outstanding at the year-end between The Pavilion Clinic Ltd and Three Shires Hospital LLP.

Charitable Company

St Andrews Property Management Limited and St Andrew's Healthcare

St Andrews Property Management Limited manages construction projects and certain non-core facilities for the Group which are charged onto the Charity. Each year any surplus that the company makes is donated to the Charity.

Some of the Trustee Directors of St Andrew's Healthcare are also Board Directors of St Andrews Property Management Limited.

Trading with St Andrews Property Management Limited during the year was as follows:

	2022 £m	2021 £m
Donation paid by St Andrews Property Management Limited to the Charity	0.9	1.6
Amounts owed (from) / to the Charity by St Andrews Property Management Limited	-	0.7

There is no fixed date for repayment and no interest is charged on the amounts owed.

St Andrew's Healthcare

Notes to the Financial Statements (continued)

13. Related party transactions (continued)

Three Shires Hospital LLP and St Andrew's Healthcare

Three Shires Hospital LLP leases the Three Shires Hospital buildings from St Andrew's Healthcare.

Some of the Trustee Directors of St Andrew's Healthcare are also Partnership Board Directors of Three Shires Hospital LLP.

Trading with Three Shires Hospital LLP during the year was as follows:

	2022 £m	2021 £m
Sales (rental income)	1.4	1.4

In 2021 and 2022 there are no amounts outstanding at the year-end between the Charity and Three Shires Hospital LLP.

14. Subsidiary Undertakings

All subsidiary undertakings are registered in England and Wales.

St Andrews Property Management Limited manages construction projects and certain non-core facilities for the Group, although no such activity has taken place this year or in the prior year. The Charity owns 100% of the ordinary shares of this Company. Each year any surplus the Company makes is distributed via gift aid to the Charity.

The Charity is the ultimate shareholder of Three Shires Hospital LLP. St Andrews Property Management Limited owns 50% of the issued share capital of the partnership, with the remaining share capital being held by Circle Health Group. The Group has a controlling interest in this company through the provisions of the LLP members' agreement, giving the Group the power to appoint the Chairman and, under certain circumstances, exercise a casting vote. Three Shires Hospital LLP operates an acute medical surgical hospital situated in the grounds of St Andrew's Healthcare in Northampton.

Three Shires Hospital LLP owns 100% of the issued ordinary share capital of The Pavilion Clinic Ltd, which provides a diagnostic centre of excellence in a dedicated environment, with consulting and physiotherapy services provided by Three Shires Hospital. The Pavilion Clinic Ltd trades as Imaging @ Three Shires.

The Charity also owns 100% of the issued share capital of St Andrew's Foundation for Mental Health (Company number 10938734) and 100% of the issued share capital of St Andrew's Pension Trustees Limited (Company number 5597060). Both are dormant companies and both are exempt from preparing or filing individual accounts under CA 2006, s. 394A. The registered office of both these companies is St Andrew's Healthcare, Billing Road, Northampton, England, NN1 5DG.

St Andrew's Healthcare

Notes to the Financial Statements (continued)

14. Subsidiary Undertakings (continued)

The financial performance for the subsidiary undertakings, prior to the elimination of intercompany balances and transactions, included within the consolidated financial statements is as follows:

	St Andrews Property Management Limited		Three Shires Hospital LLP		The Pavilion Clinic Ltd	
Company number	2798380		OC398963		6061941	
Registered office	Billing Road Northampton Northamptonshire NN1 5DG		1st Floor 30 Cannon Street London EC4M 6XH		1st Floor 30 Cannon Street London EC4M 6XH	
	2022 £m	2021 £m	2022 £m	2021 £m	2022 £m	2021 £m
Income	0.8	1.6	19.9	17.4	2.5	1.9
Expenditure	-	-	(17.2)	(15.8)	(1.9)	(1.8)
Tax	-	-	-	-	(0.1)	-
Net income	0.8	1.6	2.7	1.6	0.5	0.1
Fixed assets	1.5	1.5	2.5	1.6	0.4	0.4
Current assets	-	0.6	4.8	4.7	1.0	0.5
Liabilities due within one year	(0.4)	(0.7)	(4.1)	(4.2)	(0.5)	(0.3)
Liabilities due after one year	-	-	-	-	(0.1)	(0.2)
Net assets	1.1	1.4	3.2	2.1	0.8	0.4

St Andrew's Healthcare

Notes to the Financial Statements (continued)

15. Tangible and Intangible assets

Consolidated Group

	Freehold land and buildings £m	Assets under construction £m	Fixtures, fittings, machinery & equipment £m	Motor vehicles £m	Total tangible assets £m	Software £m	Software Assets under construction £m	Goodwill £m	Total intangible assets £m
Cost									
At 1 April 2021	279.4	2.4	21.2	0.7	303.7	16.5	-	1.8	18.3
Additions	0.1	-	3.0	-	3.1	0.2	-	1.1	1.3
Disposals	(3.0)	(1.3)	-	(0.1)	(4.4)	(0.1)	-	-	(0.1)
At 31 March 2022	276.5	1.1	24.2	0.6	302.4	16.5	-	2.9	19.4
Accumulated depreciation/amortisation									
At 1 April 2021	81.7	-	14.3	0.7	96.7	12.9	-	1.3	14.2
Charge for the year	8.2	-	3.1	-	11.3	2.5	-	0.1	2.6
Disposals	(1.6)	-	-	(0.1)	(1.7)	(0.1)	-	-	(0.1)
Impairments	(0.6)	-	-	-	(0.6)	-	-	-	-
At 31 March 2022	87.7	-	17.4	0.6	105.7	15.3	-	1.4	16.7
Net book value									
At 31 March 2022	188.8	1.1	6.8	-	196.7	1.2	-	1.5	2.7
At 31 March 2021	197.7	2.4	6.9	-	207.0	3.6	-	0.5	4.1

The net book value of tangible fixed assets includes £0.2m (2021: £0.2m) in respect of assets held under hire purchase agreements.

Included in the net book value of freehold land and buildings is £21.1m (2021: £21.1m) and £20.4m (2021: £20.4m) relating to freehold land owned by the Group and Charity respectively.

The carrying amount of relevant assets is held as security against the loan.

Also included are restricted fixed assets, see note 21.

St Andrew's Healthcare

Notes to the Financial Statements (continued)

15. Tangible and Intangible assets (continued)

Charitable Company

	Freehold land and buildings	Assets under construction	Fixtures, fittings, machinery & equipment	Motor vehicles	Total tangible assets	Software	Software Assets under construction	Goodwill	Total intangible assets
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cost									
At 1 April 2021	292.8	2.3	14.8	0.7	310.6	16.5	-	0.4	16.9
Additions	-	-	3.0	-	3.0	0.2	-	-	0.2
Disposals	(3.2)	(1.3)	-	-	(4.5)	(0.1)	-	-	(0.1)
At 31 March 2022	289.6	1.0	17.8	0.7	309.1	16.6	-	0.4	17.0
Accumulated depreciation/amortisation									
At 1 April 2021	83.4	-	9.3	0.7	93.4	12.9	-	0.1	13.0
Charge for the year	8.4	-	2.8	-	11.2	2.4	-	0.1	2.5
Disposals	(1.6)	-	-	-	(1.6)	(0.1)	-	-	(0.1)
Impairments	(0.6)	-	-	-	(0.6)	-	-	-	-
At 31 March 2022	89.6	-	12.1	0.7	102.4	15.2	-	0.2	15.4
Net book value									
At 31 March 2022	200.0	1.0	5.7	-	206.7	1.4	-	0.2	1.6
At 31 March 2021	209.4	2.3	5.5	-	217.2	3.6	-	0.3	3.9

The carrying amount of relevant assets is held as security against the loan.

St Andrew's Healthcare

Notes to the Financial Statements (continued)

16. Investments

Consolidated Group and Charitable Company	As at 31 March 2021		Purchases	Sales	Movement in cash balance	As at 31 March 2022	
	Cost	Market value				Cost	Market value
	£m	£m	£m	£m	£m	£m	£m
Stock market investments	12.1	15.7	2.8	(5.1)	(0.4)	9.4	11.6
Cliftonville House investment Property	8.4	5.0	-	-	-	8.4	5.0
Well Vale Estates investment property	-	0.7	-	-	-	-	0.7
Total investment assets	20.5	21.4	2.8	(5.1)	(0.4)	17.8	17.3
(Deficit) / surplus of market value (under) / over cost		0.9					(0.4)
Less: prior year (deficit) / surplus excluding amounts realised		0.6					(0.9)
Unrealised (losses) / gains on revaluation of investments		1.5					(1.3)
Realised profit on disposal of investments in year		0.5					2.0
Net gain		2.0					0.7

All investment assets are held primarily to provide an investment return for the Group. The stock market investments are listed securities on recognised stock exchanges and comprise 61% UK securities with a market value of £7.0m (2021: 64%, £10.0m) and 39% non-UK securities with a market value of £4.6m (2021: 36%, £5.7m). The Well Vale Estates comprise farming lands of approximately 40 acres. Cliftonville House comprises offices and premises which are rented to a third party.

Stock market investments are valued using the latest available mid-market prices at the valuation date. Investment properties are valued by specialist independent valuers. Well Vale Estates was valued by Berry's Chartered Surveyors and Valuers regulated by RICS and was valued using market value of the land. Cliftonville House was valued by Avison Young (UK) Limited regulated by RICS and was valued using combination of the future rental income until 2030 and the potential market value of the development of the site in 2030 on expiry of a restrictive covenant that only allows redevelopment of the site for specific uses. There are no contractual obligations for the purchase, construction or development of investment properties held by the Group or for repairs, maintenance or enhancements in relation to these investment properties.

The latest external valuations for Well Vale Estates and Cliftonville House of £0.7m and £5.0m respectively were carried out as at 31st March 2021. St. Andrew's has since carried out its own investigations, which confirmed that those valuations remained materially correct as at 31 March 2022.

Previously, the difference between cost and valuation on investments had been posted to a revaluation reserve. However, in accordance with the requirements of FRS102, the balance of £0.8m at 31 March 2021 has now been released to the Statement of Financial Activities.

17. Debtors

	Consolidated Group		Charitable Company	
	2022	2021	2022	2021
	£m	£m *Restated	£m	£m *Restated
Trade debtors	10.1	9.5	8.2	7.3
Amounts owed by group undertakings	-	-	-	0.7
Prepayments and accrued income	3.7	5.7	3.6	5.0
Other debtors	0.5	0.2	-	-
Total	14.3	15.4	11.8	13.0

*The restatement referred to above is explained in note 26.

Included within trade debtors is a bad debt provision of £0.5m (2021: £0.4m).

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

18. Cash at Bank and in Hand

	Consolidated Group		Charitable Company	
	2022	2021	2022	2021
	£m	£m *Restated	£m	£m *Restated
Corporate cash	8.7	7.6	6.0	5.8
Service Users cash	2.2	2.7	2.2	2.7
Total	10.9	10.3	8.2	8.5

*The restatement referred to above is explained in note 26.

Included within cash at bank are balances in current accounts and instant access interest bearing accounts.

St Andrew's Healthcare

Notes to the Financial Statements (continued)

19. Creditors

	Consolidated Group		Charitable Company	
	2022 £m	2021 £m	2022 £m	2021 £m
Trade creditors	(5.0)	(9.9)	(3.0)	(8.7)
Other creditors	(3.5)	(4.5)	(3.0)	(3.5)
Obligations under finance lease and hire purchase contracts	(0.1)	(0.1)	-	-
Taxation and social security	(2.8)	(3.1)	(2.7)	(3.0)
Accruals	(11.7)	(11.0)	(9.8)	(9.4)
Deferred Income	(2.9)	(2.5)	(2.9)	(2.5)
Bank loans	(20.0)	-	(20.0)	-
Creditors falling due within one year	(46.0)	(31.1)	(41.4)	(27.1)
Bank loans	-	(19.8)	-	(19.8)
Obligations under finance lease and hire purchase contracts	(0.1)	(0.1)	-	-
Derivative financial instrument	-	(0.2)	-	(0.2)
Creditors falling due after one year	(0.1)	(20.1)	-	(20.0)

Included within other creditors are balances in respect of service users' monies of £2.2m (2021: £2.7m).

The bank loan balance of £20.0m at 31 March 2022 has been included in creditors falling due within one year, due to the maturity date of the revolving credit facility. However, this has been renegotiated post year end (see note 25) and so will be included in creditors falling due after one year in the 2023 financial statements.

Deferred income is deferred when cash has been received but the requirements of revenue recognition have not yet been met. Once met, income can be released to the statement of financial activities. A table of movements is shown below.

	Consolidated Group		Charitable company	
	2022 £m	2021 £m	2022 £m	2021 £m
Opening balance	2.5	1.5	2.5	1.5
Amounts deferred	24.7	15.6	24.7	15.6
Amounts released	(24.3)	(14.6)	(24.3)	(14.6)
Closing balance	2.9	2.5	2.9	2.5

The Charity has a £27m (2021: £35m) revolving credit facility with Barclays and HSBC. This not only provides for current working capital needs but also enables the Board to fulfil its strategic ambitions. At the year-end £20.0m (2021: £19.8m) was drawn down in relation to this facility. The Charity opted to reduce the facility during the year in order to more closely align the facility with the estimated funds required. The facility as at 31 March 2022 was secured on a proportion of the Charity's land and building portfolio (William Wake House, FitzRoy House, Birmingham, Essex, Cliftonville House and the Braye Centre). The interest on this facility as at 31 March 2022 was charged at SONIA plus a margin of 3.4%. The facility was due for repayment in December 2022, however is now superseded by the new facility, which commenced on 4 October 2022 as per the notes for Post Balance Sheet Events.

St Andrew's Healthcare

Notes to the Financial Statements (continued)

At the year-end, the Company had future minimum lease payments under non-cancellable operating leases for assets as follows:

	Consolidated Group		Charitable Company	
	2022	2021	2022	2021
	£m	£m	£m	£m
Falling due:				
Within one year	0.2	-	0.1	-
Between one and five years	0.1	-	-	-
	0.3	-	0.1	-

Contractual commitments in relation to the acquisition of tangible and intangible fixed assets for the Group are £nil at year end (2021: £nil). Contractual commitments in relation to the acquisition of tangible and intangible fixed assets for the Charity are £nil at year end (2021: £nil).

21. Funds of the Charity

	2022			2021		
	Restricted funds	Unrestricted funds	Total funds	Restricted funds	Unrestricted funds	Total funds
	£m	£m	£m	£m	£m	£m
Fixed assets						
Intangible assets	-	1.6	1.6	-	3.9	3.9
Tangible assets	0.9	205.8	206.7	1.0	216.2	217.2
Investments	-	17.3	17.3	-	21.4	21.4
	0.9	224.7	225.6	1.0	241.5	242.5
Current assets						
Inventories	-	0.4	0.4	-	0.6	0.6
Debtors falling due within one year	-	11.8	11.8	-	13.0	13.0
Cash at bank and in hand	1.1	7.1	8.2	0.3	8.2	8.5
	1.1	19.3	20.4	0.3	21.8	22.1
Current liabilities						
Creditors falling due within one year	-	(41.4)	(41.4)	-	(27.1)	(27.1)
Net current assets / (liabilities)	1.1	(22.1)	(21.0)	0.3	(5.3)	(5.0)
Total assets less current liabilities	2.0	202.6	204.6	1.3	236.2	237.5
Creditors falling due after one year	-	-	-	-	(20.0)	(20.0)
Net assets excluding pension liability	2.0	202.6	204.6	1.3	216.2	217.5
Defined benefit pension liability	-	(0.6)	(0.6)	-	(0.7)	(0.7)
Net assets	2.0	202.0	204.0	1.3	215.5	216.8

St Andrew's Healthcare

Notes to the Financial Statements (continued)

22. Pensions

Defined Contribution Pensions

Scottish Widows operate St Andrew's Healthcare defined contribution pensions through their Money4Life workplace savings arrangement.

Contributions are based on qualifying earnings as defined by auto enrolment legislation. For the year up to April 2021 they were set at a minimum of 3% for the employer and 5% for the employee of relevant earnings. For ex-Group Personal Pension Scheme (GPP) members, for the year to 2022 the Charity has a minimum employer's contribution of 4% and minimum employee contribution of 5%.

The Charity also provides life assurance of 3x salary for ex-GPP active employees.

The Charity's contributions are charged to the Statement of Financial Activities each year during the year in which the employee is an active member of the scheme. The costs of administering the scheme and providing for death in service cover are met by the Group.

The pension charge for the year for these schemes was £4.3m (2021: £4.1m). As at 31 March 2022 there was an accrual of £0.7m (2021: £0.8m) for these schemes.

Defined Benefit Pension Scheme (St Andrew's Healthcare Pension Scheme)

The Charity pays £0.5m per annum to meet the expenses of the scheme.

The last full actuarial valuation was carried out as at 31 March 2019 by a qualified independent actuary. After discussions between the Trustee and St Andrew's Healthcare, a Recovery Plan was agreed. The Recovery Plan follows the actuarial valuation of the scheme, which revealed a shortfall in the assets, when measured against the scheme's Technical Provisions, of £3.5m. It will be reviewed, and may be revised, following the Trustee's next valuation under section 224 of the Pensions Act 2004, or earlier if the Trustee and Employer agree. To ensure the statutory funding objective is met, St Andrew's Healthcare agreed to pay additional contributions of £0.5m per scheme year to 31 March 2023. This on top of anticipated investment returns are expected to be sufficient to correct the full shortfall balance.

Actuarial Valuation Report

Financial year ending on	31 March 2022	31 March 2021
	£m	£m
		*Restated
Change in value of liabilities		
Value of liabilities at start of year	188.4	172.2
Past service costs	0.4	0.5
Interest on liabilities	3.9	4.0
Benefits paid	(7.1)	(7.5)
Effect of changes in assumptions	(12.7)	19.2
Value of liabilities at end of year	172.9	188.4
Change in value of assets		
Value of assets at start of year	203.3	173.2
Interest on assets	4.2	4.1
Company contributions	0.5	0.5
Benefit paid	(7.1)	(7.5)
Administrative expenses	-	-
Return on assets (excluding interest)	(6.0)	33.1
Value of assets at end of year	194.9	203.4

St Andrew's Healthcare

Notes to the Financial Statements (continued)

22. Pensions (continued)

Actuarial Valuation Report (continued)

	31 March 2022	31 March 2021
	£m	£m *Restated
Change in asset ceiling		
Asset ceiling at start year	15.0	1.0
Interest income	0.3	-
Actuarial losses	6.7	14.0
Asset ceiling at end of year	22.0	15.0

Financial year ending on	31 March 2022	31 March 2021
	£m	£m *Restated
Amounts recognised in the Balance Sheet		
Liabilities	172.9	188.4
Assets	194.9	203.4
Surplus	(22.0)	(15.0)
Effect of asset ceiling	22.0	15.0
Net defined benefit liability / (asset)	-	-

The defined benefit surplus has been restricted to zero on the Balance Sheet, as no refund has been agreed with the pension scheme Trustees.

Financial year ending on	31 March 2022	31 March 2021
	£m	£m *Restated
Cost relating to defined benefit plans		
Past service costs	0.4	0.5
Interest on liabilities	3.9	4.0
Interest on assets	(4.2)	(4.0)
Interest expense	0.3	-
Total charge to Statement of Financial Activity	0.4	0.5

Re-measurements over the year		
Effect of changes in assumptions	(12.6)	19.2
Effect of experience adjustments	-	-
Loss / (gain) on assets (excluding interest)	6.0	(33.1)
Losses from change in effect of asset ceiling	6.7	14.0
Total re-measurements	0.1	-

Total cost recognised in Statement of Financial Activity	0.5	0.5
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St Andrew's Healthcare

Notes to the Financial Statements (continued)

22. Pensions (continued)

Actuarial Valuation Report (continued)

	31 March 2022	31 March 2021
	£m	£m *Restated
Net defined benefit liability / (asset) reconciliation		
Cost relating to defined benefit plans included in SOFA	0.4	0.5
Total re-measurements	0.1	-
Company contributions	(0.5)	(0.5)
Net defined benefit liability / (asset) at end of year	-	-
Defined benefit obligation by participant status		
Vested deferreds	78.6	62.3
Retirees	94.3	126.1
Total	172.9	188.4
Value of assets		
Cash and cash equivalents	22.1	48.8
Equity instruments	41.2	55.5
Debt and other instruments	131.6	99.0
Total	194.9	203.3
Actual return on assets	(1.9)	37.2

Significant actuarial assumptions

Weighted-average assumptions to determine defined benefit obligations

	31 March 2022	31 March 2021
Discount rate	2.85%	2.10%
RPI Max 5.0%	3.40%	3.10%
RPI Max 2.5%	2.30%	2.10%
CPI Max 3.0%	2.30%	2.05%
Price inflation rate (RPI)	3.70%	3.25%
Male Post-retirement mortality assumption	100% S3 light tables CMI_2021_1.25%_SK7.5	100% S3 light tables CMI_2020_1.25%_SK7.5
Female Post-retirement mortality assumption	93% S3 middle tables CMI_2021_1.25%_SK7.5	93% S3 middle tables CMI_2020_1.25%_SK7.5

Assumed life expectancy on retirement at age 65

Male retiring today (member age 65)	23.4	23.4
Female retiring today (member age 65)	24.4	24.4
Male retiring in 20 years (member age 45 today)	24.6	24.6
Female retiring in 20 years (member age 45 today)	25.9	25.9

St Andrew's Healthcare

Notes to the Financial Statements (continued)

22. Pensions (continued)

Actuarial Valuation Report (continued)

Financial year ending on	31 March 2022	31 March 2021
Expected cash flows for following year	£m	£m
Expected company contributions	0.5	0.5
Provision in respect of an unfunded employer-financed retirement benefits scheme (EFRBS)	31 March 2022	31 March 2021
	£m	£m
Discounted present value of EFRBS:	(0.6)	(0.7)

*The restatement referred to above is explained in note 26.

St Andrew's Healthcare

Notes to the Financial Statements (continued)

23. Financial Instruments

	Consolidated Group		Charitable Company	
	2022	2021	2022	2021
	£m	£m *Restated	£m	£m *Restated
Financial assets at fair value				
Stock market investments	11.6	15.7	11.6	15.7
	11.6	15.7	11.6	15.7
Financial assets at amortised cost				
Trade debtors	10.1	9.5	8.2	7.3
Accrued income	1.8	3.9	1.8	3.4
Other debtors	0.5	0.2	-	-
Cash and short term deposits	10.9	10.3	8.2	8.5
	23.3	23.9	18.2	19.2
Financial liabilities measured at fair value				
Derivative financial instruments	-	(0.2)	-	(0.2)
	-	(0.2)	-	(0.2)
Financial liabilities measured at amortised cost				
Trade creditors	(5.0)	(9.9)	(3.0)	(8.7)
Accruals	(11.7)	(11.0)	(9.8)	(9.4)
Other creditors	(3.5)	(4.5)	(3.0)	(3.5)
Obligations under finance lease and hire purchase contracts	(0.2)	(0.2)	-	-
Amortised Bank loans	(20.0)	(19.8)	(20.0)	(19.8)
	(40.4)	(45.4)	(35.8)	(41.4)

*The restatement referred to above is explained in note 26.

St Andrew's Healthcare

Notes to the Financial Statements (continued)

24. Notes to the Cash Flow Statement

Net Cash from Operating Activities

	Total 2022 £m	Total 2021 £m *Restated
Net expenditure for the reporting year per the statement of financial activities	(10.3)	(9.2)
Depreciation and amortisation of assets	13.9	14.7
Impairment of property	(0.6)	0.6
Loss / (profit) on disposal of property	0.1	(8.4)
Loss on disposal of other tangible & intangible assets	-	0.2
Profit on disposal of investments	(0.7)	(2.0)
Dividends received on investments	(0.3)	(0.3)
Interest payable on loans	0.9	1.0
Decrease / (increase) in stocks	0.1	(0.1)
Decrease / (increase) in debtors	1.1	(2.3)
(Decrease) / increase in creditors	(5.1)	8.0
Decrease in defined benefit pension liability (EFRBS)	(0.1)	-
Net cash generated/(expended) from operating activities	(0.3)	2.2

Analysis of changes in net debt

	At 1 April 2021 (Restated *) £m	Cash flows £m	Fair value movements £m	Non-cash changes £m	At 31 March 2022 £m
Cash at bank and in hand	10.3	0.6	-	-	10.9
Bank loan	(19.8)	(0.2)	-	-	(20.0)
Finance leases	(0.2)	-	-	-	(0.2)
Derivative financial instrument	(0.2)	-	0.2	-	-
Total	(9.9)	0.4	0.2	-	(9.3)

St Andrew's Healthcare

Notes to the Financial Statements (continued)

25. Post Balance Sheet Events

1. In April 2022 the Care Quality Commission conducted an inspection of St Andrew's Healthcare Women's Wards. This was a re-inspection following an Inadequate rating in November 2021. The final report was published on 5 October 2022 with a rating of Requires Improvement. All restrictions relating to the previous report and findings are lifted.
2. In September 2022 the Charity concluded the commercial tendering process of renewing its bank credit facility. The new facility will commence on 4 October 2022, providing a £27m facility for a three year duration, with option for further two year extension.

The existing facility was due to end in December 2022.

3. Jess Lievesley stepped down from the role of Interim Chief Executive Officer on 30 June 2022, Oliver Shanley immediately took the role of Interim Chief Executive Officer until 22 August 2022 and on 1 September 2022, Dr Vivienne McVey took the permanent position.

Kevin Mulhearn was appointed to the role of Interim Chief Finance Officer on 31 March 2022 and was formally appointed to the Chief Finance Officer role on 1 July 2022.

Dawn Chamberlain was appointed to the role of Chief Operating Officer and joined the Charity on 19 September 2022.

4. Immediately following the 31 March 2022 year end, Three Shires Hospital LLP acquired the trade and assets of its 100% subsidiary company, The Pavilion Clinic Limited.

26. Restatements

The following adjustments have been made to better reflect the substance of certain balances:

- 1) Service User cash balance for the Group and Company at 31 March 2021 of £2.7m which had previously been reported in other debtors, has now been moved to cash at bank and in hand. See Note 18.
- 2) The value of defined benefit pension scheme assets at 31 March 2021 has been increased to include £14.9m cash in transit which had previously been omitted. See Note 22.
- 3) Taxation and social security balances for the Group and Company at 31 March 2021 of £3.1m and £3.0m respectively had previously been included as financial liabilities measured at amortised cost within Other Creditors (note 23) but have now been removed. See Note 23.