

PROSPECT HOSPICE LIMITED

England & Wales · Charity number 280093

Details

Other names PROSPECT FOUNDATION LTD, PROSPECT HOSPICE

Status Registered

Legal form Charitable company

Company number [01494909](#)

Registered 1980-06-23

Register [View on the Charity Commission register](#)

Contact

Address Prospect Hospice
Moormead Road
Wroughton
Swindon
SN4 9BY

Phone 01793813355

Email info@prospect-hospice.net

Website www.prospect-hospice.net

Activities

Objects: TO PROMOTE THE RELIEF OF SICKNESS IN SUCH WAYS AS THE ASSOCIATION SHALL FROM TIME TO TIME THINK FIT (FOR FURTHER DETAILS SEE MEMORANDUM OF ASSOCIATION)

Activities: Prospect Hospice provides dedicated end of life care in the Swindon and Wiltshire areas. It supports patients in the purpose-built Hospice, and in people's own homes. All care is provided free of charge and is offered in partnership with community and hospital services.

Classification

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

Geography

- Swindon
- Wiltshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£8,698,000	£9,002,000	£6,260,000	208
2024-03-31	£7,427,000	£8,668,000	£6,564,000	197
2023-03-31	£8,162,000	£7,558,000	£7,677,000	190
2022-03-31	£7,228,000	£7,704,000	£7,149,000	196
2021-03-31	£7,125,000	£7,403,000	£7,287,000	185

Trustees

Name	Role	Appointed
Angela Aitkenhead		2025-05-01
Clare Rachel Tibbitts		2025-06-05
David Michael Cain		2024-11-07
Dr Helen Elizabeth Jones		2022-09-26
Helen Louise Guarnieri		2025-05-01
Joanne Clarke		2026-02-05
Peter Harland Cadman		2024-01-02
Samantha Ludkin		2024-06-16

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England & Wales - Charity number 280093

Accounts

Company no. 01494909
Charity no. 280093

Prospect Hospice Limited
Report and Audited Financial Statements
31 March 2025

Prospect Hospice Limited

Reference and administrative details

For the year ended 31 March 2025

Company number	01494909
Charity number	280093
Registered office and operational address	Moormead Road Wroughton Swindon Wiltshire SN4 9BY
Patrons	Jonathan Wilkes Helen Browning Sarah Troughton
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Angela Aitkenhead Appointed 1 May 2025 Nathan Bishop Eugen Bradean Appointed 1 October 2024; resigned 9 January 2025 Peter Cadman David Cain Appointed 7 November 2024 Philomena Creffield Resigned 10 March 2025 Helen Guarnieri Appointed 1 May 2025 Kevin Howard Resigned 30 June 2024 Helen Jones Sarah Jones Resigned 30 June 2025 Samantha Ludkin Appointed 16 June 2024 Julie-Anne Marshman Sadie Panter Resigned 4 March 2025 Ian Price Resigned 9 January 2025 Carys Ritchie Nigel Sully Resigned 12 January 2025 Clare Tibbitts Appointed 5 June 2025
Chief executive officer	Jeremy Lune
Executive team	Helen Baxter Director of Finance Carolyn Bell Director of Patient Services Jo Hollingsworth Director of People Charlotte Forrest Director of Income Generation
Medical director	Sheila Popert

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For the year ended 31 March 2025

Bankers	HSBC plc Unit 6 The Lock Canal Walk Swindon SN1 1LD
Investment managers	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET
Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2025

The trustees present their annual report together with the audited financial statements of Prospect Hospice Limited for the year 1 April 2024 to 31 March 2025. This report incorporates the strategic report as required by company law.

Objectives and activities

a. POLICIES AND OBJECTIVES

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

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

Prospect Hospice's vision is a community where death is no longer a taboo and everyone lives and dies well. The charity's mission is to work with and through others using our skills and expertise so that people have choice and support at the end of their life.

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

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

- An in-patient facility providing care to those patients with more complex needs at the very end of life which the hospice operates on a flexible model based on patient demand;
- Out-patient day therapy services including a range of complementary and creative therapies;
- Prospect@Home service, providing practical support and nursing care for up to 24 hours a day, in patients' own homes;
- Community based clinical nurse service providing advice, support and information for patients at home and in local care homes;
- Consultant-led medical team providing expertise across the range of hospice services and locations including home visiting;
- Rehabilitation services including physiotherapy, occupational therapy and dietary advice;
- Practical and psycho-social support services to patients, families, and carers provided through a family support team. Their work extends to providing support for carers and people who have been recently bereaved;
- Spiritual support service for patients and their families;
- Care services delivered by a multi-professional team for patients living with lymphoedema; and
- Education and training on end-of-life care and support for health and social care professionals.

Our Hospice Mission

We will work with and through others using our skills and expertise so that people have choice and support at the end of their life.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2025

Overview of the year

The awareness of the importance of our work was again highlighted nationally in January when we had the honour of welcoming our President, Queen Camilla for a visit to celebrate the 45th Anniversary of the hospice by unveiling a plaque at the Evans Education Centre in honour of our founder Rev Derryck Evans. Her Majesty spent time with patients, staff and volunteers and stated that "Every time I come here, I come away feeling so impressed and feeling so lucky actually that Wiltshire has something like this to look after people who are at the end of their life."

Further to this we continue to share our knowledge and expertise with other organisations as we build on our collaborative approach, in line with the national recognition that this is key to the future of effective and affordable healthcare for all. An inspiring example of this has been our work with the Motor Neurone Disease Association and Great Western Hospital to manage choking for patients living with Motor Neurone Disease which is one of the most distressing and life-threatening symptoms. This has now evolved into a pioneering research project with the University of Oxford which will enable other care providers to deliver improved support for Motor Neurone Disease patients.

There is no denying that 2024/25 has been a year of challenge for our hospice, as it has been for the entire UK hospice sector. It has however, also been a year of change and opportunity as the organisation has adapted to those challenges.

The main source of those challenges is a commissioning funding model that was identified in January 2024 as "not fit for purpose" by the All Party Parliamentary Group for Hospice and End of Life Care. The current "postcode lottery" funding does not reflect the rapidly increasing need for hospice services and these financial pressures were added to in the Autumn 2024 budget where the changes to National Insurance and National Living Wage will be adding an additional £0.3m to the ongoing annual operating costs of the hospice from April 2025.

Over the last 12 months we have done all we can to raise awareness of these issues and campaign for greater support at a national and local level. In particular we have played an active role in supporting Hospice UK's campaign to address these issues, which resulted in our hospice being featured in articles in six national newspapers this year. In addition, our work was also recognised by BBC Radio 5 Live who hosted a live 3-hour broadcast at the hospice.

On a local level this campaign has been hugely supported by our local community who have raised awareness by writing to their MPs as well as providing incredible levels of practical, financial and voluntary support. This has enabled the delivery of the highest standards of personalised palliative and end of life care to 2,288 people in our community across our full range of hospice services.

We were also grateful to the Bath & NE Somerset, Swindon and Wiltshire (BSW) Integrated Care Board for making a one-off grant of £350k in March 2025 in order to support our commitment to focus on strategic development of integrated community services. In an environment where the Integrated Care Board itself is under significant financial pressure, this has been a recognition of the value that the hospice adds to the healthcare system.

Other highlights of the year included:

- Mel Buckley, a senior member of our Community Nurse Specialist team, being awarded the prestigious title of Queen's Nurse, by the Queen's Nursing Institute;
- The establishment of a second Bereavement Café in Royal Wootton Bassett in collaboration with Carer Support Wiltshire;

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Report of the trustees

For the year ended 31 March 2025

- Investing in organisational and individual development including a comprehensive lunch and learn programme;
- Entering into an agreement with the Brandon Trust to develop a series of learning solutions for their staff who support people with learning disabilities and autism;
- Delivering 'Bluebell ASPIRE', our Health Care Assistant development programme;
- Running another successful volunteer conference, aimed at rewarding and recognising the efforts of all our volunteers;
- The opening of two new specialist shops in Swindon; our first dedicated Furniture shop and a revamped and relocated specialist Books and Media shop;
- The creation of a charity retail training programme which has been delivered to our shop teams as well as being outsourced to Weston Hospice care; and
- Our annual Starlight Walk event breaking previous records for both participants (760) and income of £137k.

Achievements and performance

During the year there were 2,288 people referred to our hospice services (up 6.6% on last year). There were 166 admissions to our inpatient unit which cares for those with more complex needs, with an average length of stay of 12 days. Our specialist community teams including our Clinical Nurse Specialists, Prospect at Home, Therapy, Lymphoedema and family support cared for people either in their own homes or as outpatients at the hospice. In total, our patient services teams made 19,776 consultations with patients, their families and with other healthcare professionals. Of the total consultations made 3,627 were face to face visits in patients homes or at the hospice and 16,050 were carried out remotely.

We also reached people needing our specialist support through our therapy led wellbeing groups which included our Bereavement Cafes and Dementia Group meetings in collaboration with Swindon Borough Council and Carers Support Wiltshire, and also our own specialist Breathing Well Cafes. There were over 840 attendances across these groups during the year.

The quality of the care we provide to our patients and their loved ones is at the heart of what we do. During the year we were very proud of our clinical teams achievements which included the award of 5 more certificates of excellence in recognition of consistently achieving outstanding patient feedback during the year. Following a patient and family consultation event we developed Our Commitment to Care pledge to align with the national standards for the fundamentals of care.

We know how much our patients and their loved ones value our care because they take the time to tell us just how much the hospice support has meant to them, such as Clint, Les and Pippa who all had the following to say about our care:-

Clint

"I remember it was so sunny on Angie's last day. She was in the garden for hours, wrapped in blankets, just looking at the sky. She loved being outside. I have a picture of the sunlight just beaming on her face. Then one of the nurses told us, it won't be long now. They did everything to make sure Angie was comfortable. We put her favourite music on, then the nurses dimmed the lights and stayed with us through the night".

Les

"Everyone at Prospect Hospice has done such a great job, and they're just not recognised for the amazing job they do. The atmosphere here is so calm, so reassuring. I don't feel scared. The feeling of coming here was, that we'll do whatever we can for you, and I felt that from day one."

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Report of the trustees

For the year ended 31 March 2025

Pippa

“The team from Prospect Hospice were like a light in the darkness. Tom wanted us to spend our last precious moments together as a family, and thanks to Prospect Hospice, we could.”

We are also extremely pleased with the work undertaken this year in line with our strategic goal to use our expertise to educate and influence the delivery of excellence in end of life care. Some of our achievements are outlined below:-

Motor Neurone Disease service

Our first year annual report was shared with the Integrated Care Board and the Motor Neurone Disease Association in the autumn and this was very well evaluated by the commissioners. There has also been excellent feedback from patients and families who have said how much they appreciate and value this service. Following patient consultation, we developed six patient-centred care quality indicators which is a new approach to service evaluation for the commissioners.

The service co-ordinator has created some innovative guidance about choking management that has been shared at national conferences and adopted nationally. In collaboration with Great Western Hospitals, we have secured research funding for a 3-year project and this was launched at the end of the year with other hospices signing up to participate - an amazing achievement!

Hospice UK Frailty project

We completed this in September working with the community hospital at home team. A workshop was held in June for virtual ward staff across Bath & North East Somerset, Swindon and Wiltshire (BSW) area, sharing learning and tools to support conversations with patients and their families. This marked the start of a frailty and palliative care champions group across the Integrated Care Board. Applying learning from this project we secured a 6 month project extension with Hospice UK funding to provide hospice input to the Great Western Hospitals for people with frailty and heart failure service and frailty and the interstitial lung disease clinic, working with the speciality consultants and their teams.

Spiritual care

This has been an area of growth and development with teaching sessions for staff, and the introduction of a new value life questionnaire to aid patient assessment. The spiritual care co-ordinator has helped us make great connections with faith and non-faith leaders in Swindon and was an invited speaker at their AGM. We subsequently hosted an evening meeting at the hospice to exchange ideas about spiritual care needs at the end of life.

Collaboration and influencing within the wider healthcare system

We continue to play an active role as part of the BSW End of Life (EOL) Alliance - a consortium of local health and social care providers seeking to transform how community services are sustainably delivered across the BSW region. Within this group, the 3-hospices are working closely together, including sharing data and outcome measures. We continue to look actively at opportunities to collaborate with four other local hospices.

Advancing nursing practice

Following our senior nursing engagement with the new lantern model of nursing which was developed through St Christopher's Hospice in London and the subsequent advancing nursing practice course 2 senior nurses were selected to attend, our nursing leaders have been focusing on steps to advance nursing practice at the hospice. This has included:

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Report of the trustees

For the year ended 31 March 2025

- Working clinically alongside Inpatient Unit staff to enhance their knowledge skills and confidence with feedback from staff being extremely positive;
- Developed new senior registered nursing roles with bespoke development plans;
- Introducing Single Nurse Administration of Medication, enhancing clinical responsibility and efficiency;
- Encouraging nurses to lead and present audits at our Quality Improvement Group, promoting accountability and professional leadership;
- Increasing opportunities for debriefing and reflective practice, fostering a culture of shared learning and emotional support; and
- We celebrated our new Advanced Nurse Practitioner position after our trainee qualified at the beginning of 2024. This role has had great impact in the community and IPU, supporting clinical research and delivering education. This position is a real role model for other nurses.

Sharing our excellence across the hospice sector

Our hospice was selected to share examples of their innovative work at the annual Hospice UK conference. A record 5 posters were selected to be presented on subject areas such as frailty, reflect and restore supervision, virtual reality headsets, choking management, patient and family led key performance indicators for the Motor Neurone Disease co-ordinator service. Our Advanced Nurse Practitioner helped to facilitate a large workshop session around frailty needs and innovation at end of life.

Investing in our people

We undertook a review of our ASPIRE (Authentic, Specialist, Person Centred, Inclusive, Resilient, Excellent) values this year. All staff contributed to this review and found these values remain relevant. Staff remain committed to the values and have all recently contributed to developing an agreed set of behaviours. Our Staff Forum will develop these further on behalf of all staff.

The Staff Forum continues to be one of many ways in which staff and volunteers have a voice. Another route that staff voices are heard is through Freedom to Speak Up and we appointed two new Freedom to Speak Up Guardians this year.

The Staff Forum have also been instrumental this year in developing the themes for our Your Prospect days which form part of our organisation and culture development programme. Members of the Forum also played a significant role in the delivery of these days exploring subjects such as accountability, radical candour, psychological safety, Freedom to Speak Up, change management and just culture.

We gained valuable insights from our short staff survey earlier in the year on what they like about working for the hospice and also what they consider to be some key challenges and areas for future consideration. This feedback has been taken onboard by the Executive Team and the Board and will be incorporated into future plans.

Our People also include our fantastic team of approximately 700 volunteers. Our volunteers are absolutely essential to the delivery of our hospice care. We continue to enjoy remarkable loyalty from our existing volunteers and increased interest from local community members in joining us as volunteers, somewhat bucking the trend for the sector.

This year we re-established a team of Prospect at Home volunteers, providing emotional and practical support to patients and their families in their own homes. Volunteers also continue to support the inpatient unit, therapy and family support teams.

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Report of the trustees

For the year ended 31 March 2025

We have been able to further extend our reach in the community with two cohorts of volunteers now facilitating bereavement cafes in the towns of Marlborough and Royal Wootton Bassett, providing support and signposting to members of those communities who have experienced the death of someone close to them.

Our volunteers had the opportunity to attend sessions to consider the issues associated with assisted dying, as part of a wider organisational commitment to educate and prepare the entire workforce for any potential future legislation in this area.

This year we had 649 volunteer enquiries against last year at 471, an increase of 38%. We also continue to work with community partners to promote volunteering. Two notable partnerships that were strengthened over the course of the year were:

- Building Bridges - the Community First initiative that helps individuals to build independence and overcome barriers to employment and education. The organisation works with a large number of neurodiverse people and the meeting helped to increase our awareness of how we could support people into volunteering, whilst developing the existing collaboration further; and
- Youth Justice Team - where we were approached by them to see if we could support with shorter volunteering opportunities, and we worked in partnership to develop a small number of safely managed, mutually beneficial placements.

We were thrilled that we were able to run another successful volunteer conference this year, aimed at rewarding and recognising the efforts of all our volunteers. We are grateful for the continued support from Nationwide Building Society, for once again supporting this event with provision of the venue free of charge.

Learning and development

Despite the ongoing financial restraints experienced by the hospice sector, we renewed our efforts to use our training budget as strategically and effectively as possible. As well as upholding the highest standards of clinical competence among our staff, we focused on upskilling staff in a range of IT skills and soft skills such as communication, time management, influencing and negotiating skills, all developed and delivered by the in-house team. We have continued to develop a learning culture, investing in organisational and individual development.

We have delivered a comprehensive lunch and learn programme for our staff, other health-care professionals and indeed members of the public providing learning opportunities on a wide range of topics such as Non-invasive ventilation (NIV), boundaries, and nutrition to reduce stress. We continued our programme to develop our leaders, embedding a culture of action learning and subject specific modules.

In all our work we provide additional support for staff to achieve their training aims, particularly relating to needs arising from English being a second language, low levels of literacy, disability or lack of IT proficiency.

As part of our wider community engagement with other local community organisations we are extremely proud of the specialist training we have been able to deliver for them this year including:

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Report of the trustees

For the year ended 31 March 2025

- Entering into an agreement with the Brandon Trust to develop a series of learning solutions for their staff who support people with learning disabilities and autism. The Trust sought training and support on having bereavement conversations with their clients, along with training on how to support a client who is themselves approaching end of life. A particular strength of the approach was the element of co-creation with the Brandon Trust, with staff feeding back that they particularly valued the bespoke element of the package;
- Delivering 'Bluebell ASPIRE', our Health Care Assistant development programme, to two of our own cohorts and have received interest in purchasing the package from a number of other hospices;
- We have run school visits for students considering a career in healthcare, plus professional insight visits, aimed at prospective and existing healthcare workers. Attendees so far have included care home owners, student nurses, and representatives from Healthwatch Swindon;
- As part of a reciprocal arrangement with New College Swindon our matron, has delivered three sessions to level 3 nursing students, in which she discussed the Lantern Model. In return for input into the course curriculum, we received access to the college's virtual learning environment and reduced fees on core competency courses; and
- We continue to deliver a day-long overview of EOL care as part of GWH's twice-yearly Excel programme, giving us an opportunity to showcase our services and helping to maintain our position at the forefront of local EOL care provision. We know from these sessions that many healthcare providers are unaware of the extent of our offer to patients and find their preconceptions of hospice-care significantly challenged. In some cases, these events are guiding local healthcare professionals to consider the hospice as a career change.

Equity, Diversity and Inclusion (EDI)

Our commitment to working inclusively is evident in the wide range of activities undertaken by our clinical, learning and volunteering teams, and we continue to develop our workforce knowledge of diverse needs. In the last year we have delivered a range of lunch and learn sessions on topics such as Paganism, autism and historical LGBTQ experiences of health care.

We are taking steps to fill the gaps in our patient EDI data and have established new recording methods to ensure a more consistent approach to data capture. We continually review and reflect upon our efforts to create a more inclusive environment for staff, volunteers and patients alike, and have recently reviewed the role of our EDI champions group. It was felt that their work could be better integrated into each team in the organisation, rather than sitting slightly separately. Going forward, we will have a champion in each team, charged with promoting issues of diversity and ensuring they are considered routinely in team meetings etc.

Financial performance

This has been another challenging year for the hospice given the continued pressure from macro-economic cost pressures, with costs continuing to rise at a faster rate than income growth. As mentioned earlier the lack of a sustainable statutory funding model for hospices has continued to have a significant impact on the hospice, relying even more on the charity's reserves to bridge the gap between costs and income.

In order to retain our service provision and to bridge the gap between costs and income for the year, the Trustees had approved the use of £1m of our reserves. The Trustees were mindful that this depletion of reserves cannot continue indefinitely.

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Report of the trustees

For the year ended 31 March 2025

Led by the fantastic response from the local community, and as a result of the continued campaigning at local and national level regarding hospice funding, and the one-off grants made by the Integrated Care Board and the Department of Health & Social Care, the hospice finished the year with an actual deficit of £0.3m. However, as outlined above, the funding model for hospices is broken and as a result there will be a high level of financial uncertainty until this changes.

Income generation

It is only through the generous financial support of the community that the hospice can continue to deliver its outstanding care for the people of Swindon and North East Wiltshire. This year has seen our community come out in force to support the hospice, contributing £5.9m of our total annual income representing approximately 70% of the total income for the year.

Some of the many ways our community have supported our fundraising campaigns this year included:

- Contributing to our Save Our Hospice emergency appeal, raising a magnificent £180k;
- Taking part and supporting our biggest ever Starlight Walk, raising a phenomenal £137k (£100k higher than target);
- Donating to our Christmas Cash appeal, another fantastic £85k raised;
- Becoming a regular giver, increasing the number of regular giving donors by 67%, and income by £76k;
- Signing up to our hospice lottery, which at an annual income of £740k is our 2nd biggest income stream;
- Leaving the hospice gifts in their wills, raising £329k; and
- Donating and buying goods from our 18 charity shops including our new dedicated furniture shop and our revamped and relocated specialist books and media shop. Retail is our biggest income stream raising £2.5m this year.

Our community also includes our local businesses, and this year has seen increased support from them. This included new relationships with The CFO Centre, Gardener Leader and Swindon Bus Company as well as continued support from long standing partners such as Imagine Cruising, Nationwide and Arval.

We are proud of, and value, these relationships and the support they provide to the hospice both financial and non-financial including from their fantastic employees who raise funds and volunteer for the hospice, all of which enables the hospice to continue to provide its much needed care.

Whilst it was a challenging year for our legacy income stream, this was mitigated this year by higher income from our core fundraising activities. In addition, the legacy pipeline at the end of the year stands at £920k.

This has been a year of transformation for our income generation team, and we are very proud of their incredible achievements during a period of uncertainty and change, which they have embraced and have gone above and beyond to deliver the hospice's best year ever. They have been instrumental in setting up new ways of working and new processes to support the delivery of the new 5 year strategy.

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Report of the trustees

For the year ended 31 March 2025

Environmental impact

We continue to become a more environmentally sustainable operation, both at our hospice site and within our retail estate. During the year we continued the replacement of all of our lighting with LED lighting and we started the planning work for the longer term, looking at more energy efficient solutions for the hospice. The electric vans within our retail estate have been in place for two years and we continue to see the benefit of these.

Plans for future periods

In recognition of a rapidly changing environment, the decision was made to create a new 5-Year organisational strategy from 2024 that focuses on innovation and collaboration, while not losing sight of Prospect Hospice's Vision Mission and ASPIRE values or the agreed long-term goals which are to:

- Secure the continuity of the Prospect Hospice Charity for our community for generations to come;
- Deliver bespoke specialist care that supports dignity and choice;
- Use our expertise to influence the delivery of excellence in end of life care; and
- Take pride in being a great place to work and thrive.

The strategy was developed with input from both internal and external stakeholders and identified six key strategic priorities that will enable Prospect to achieve its long-term goals:

- Transforming our services;
- Financial sustainability and diversification;
- Empowered, performance-oriented teams;
- Enhancing our brand and reputation;
- Embracing digital; and
- Expert research and education.

Within this framework, specific strategies have been developed for Income Generation and Patient Care and Support Services, some key highlights from these strategies are outlined below. During 25/26 we are also committed to developing similar pieces of work for the areas of People and IT / Digital. This will ensure that all hospice staff will be utilising the best of their unique skills and experience to achieve common goals as we look to the future.

Patient care and support

Over the next three years our plans to support end of life specialist care include:

- Strengthening our contribution as a specialist palliative care provider including Inpatient Care, Community advice and support and In-reach to the hospital. We will seek to expand our reach, efficiency and measuring and improving effectiveness whilst maintaining the quality of our care;
- Contributing to innovations/developments in care that support system(s) reach and impact including redressing loneliness, carers support, increased support for people who face loss, work with excluded communities, community led/ facilitated initiatives, redressing inequalities, and filling gaps in current offer; and
- Position the hospice as a local leader of End of Life Clinical education provision and Research activity, maximising our expertise and building confidence and capability in others who are working in hospice and palliative care.

People

A new people strategy will be developed in 2025/26 to support the delivery of the hospice strategy for the next five years. This will ensure that the hospice is recruiting, developing and retaining talented staff, with the skills and expertise it needs to deliver its strategic objectives.

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Report of the trustees

For the year ended 31 March 2025

We plan to develop and embed a coaching framework across the organisation, upskilling managers in listening and questioning techniques and adopting the person-centred approach that is key to a coaching management style and making formal coaching sessions available to all staff to support performance and development.

We will be further enhancing our volunteering opportunities, introducing new roles to support the income generation strategy.

We will once again be running our annual volunteer conference building on the success of previous conferences .

Financial sustainability

We expect 2025/26 to be an equally challenging year financially for our hospice and hospices throughout the country as we aim to maintain our patient care and support services. Trustees have approved a deficit budget of £0.9m for the year.

Campaigning will continue in 2025/26 at local and national level for a fairer statutory funding model for hospices and to engage more with our wider community on how they can support the hospice. Alongside this we will continue to work alongside and collaborate with other hospices and healthcare partners on removing duplication and inefficiencies within the wider system for the benefit of all of those needing end of life care.

We are expecting a step change in 2025/26 following the implementation of our new income generation five-year strategy, which aims to grow annual income by 50% over the life of the strategy. To achieve our income growth ambitions and marketing capabilities we have undertaken a significant restructure of the income generation teams, with new leadership roles being recruited across fundraising, retail, marketing and communications.

Some of the key focus areas for income generation growth in the year ahead include:

- Continuing to engage, retain and grow our committed givers to increase sustainable income for the hospice;
- Expanding on the work undertaken this year with our corporate partnerships so that we can continue to grow the opportunities for support for the hospice;
- Continued growth of our hospice lottery and next year will see us increasing investment in and diversifying our acquisition channels with the aim to grow our lottery income to more than £1m by 2030;
- Grow legacy income from £0.3m in 2024/25 to £0.9m in 2025/26; and
- Maximise the opportunities within our retail portfolio and continuing to grow our retail estate with the addition of another furniture shop.

In 2025/26 we will implement the new Digital/IT strategy which is currently being developed. Over time this will be a key enabler to not only driving efficiency and cost saving opportunities but will also be critical for our income generation growth plans.

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Report of the trustees

For the year ended 31 March 2025

Financial review

a. GOING CONCERN

The trustees recognise that going concern continues to be a material uncertainty for the hospice over the longer term as it continues to navigate the path back to a recurring state of financial sustainability, one of the key objectives of the current hospice 5 year strategy which commenced in 23/24 and has been updated with a new income generation strategy and new detailed operating plan during 24/25.

The trustees are fully aware of their responsibility for the financial stewardship of the hospice and will continue to review this throughout the 25/26 financial year.

Having taken into account the financial results for 24/25, together with the budget set for 25/26, the trustees are satisfied that the charity is able to continue as a going concern and the accounts have been prepared on this basis.

b. PRINCIPAL RISK AND UNCERTAINTIES

The principal risks and uncertainties identified by the trustees are:

Financial sustainability

The hospice acknowledges that funding the gap between annual operating costs and income through reserves is not a long term sustainable option and has therefore developed an income generation plan to grow, diversify and sustain income. With the recruitment of a dedicated Director of Income Generation in late 23/24, the hospice now has a clear plan of how it intends to significantly grow income over the next 5 years and has taken the strategic decision to invest in income generation to protect services. At the same time, the hospice continually reviews all elements of its expenditure to ensure that it operates efficiently and effectively and maximises value for money.

Workforce planning

With a clear operational plan for the next 5 years now in place, a defined strategic plan for workforce planning is in the final stages of development. Whilst the hospice can meet its current staffing requirements, it knows that with an ageing workforce robust plans need to be implemented to secure the staff to meet our future service provision and requirements. This new plan will encompass retention and development of existing staff as well as the recruitment of new staff to ensure we have the correct numbers and skills mix to meet our community's current and future needs.

Continuity of service provision

As a direct consequence of our financial challenges the hospice can only provide six inpatient beds in our IPU, despite demand being in the region of ten to twelve beds. Also we are currently unable to provide a range of much needed Day Therapy services. It is our ambition to be able to offer these services but until we can achieve a more stable financial position we cannot currently meet the level of the demand there is in the community for our much needed care.

Major incident planning & management

One of the key lessons from the Covid pandemic, is that we live in an uncertain world where uncontrollable external factors can have a significant impact on any organisation and organisations need to be prepared to expect the unexpected. The hospice has developed and is in the process of refining Business Continuity plans which provide a framework for responses to any type of incident. Throughout 25/26, this refinement will continue, alongside training and desktop exercises to fully test these plans and ensure they minimise the impact of any incidents on the hospice.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2025

c. FINANCIAL OVERVIEW

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

Incoming resources

As set out on page 23, total incoming resources, including income from charitable activities, was £8,698k for the year (£7,427k in 23/24).

Resources expended

Prospect Hospice's expenditure on a recurring basis (set aside) to provide care and support for patients, families and carers was £5,452k, a decrease of £85k over the previous year. Expenditure in generating voluntary income was up on the previous year as a direct consequence of the increased income.

d. RESERVES POLICY

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

It is the policy of Prospect Hospice to aim to keep a sufficient level of free reserves to enable it to suffer any short-term setbacks in income or unexpected costs. As an absolute minimum it is the policy of the hospice to keep reserves at a level sufficient to cover the financial risks it has identified within its financial plans whilst also being aware of the need for any contractual financial obligations as they fall due. The Trustees have assessed the risks and have set the minimum level of free reserves at £1.1m. If the level of free reserves falls below the policy level the Trustees will review all reserves and their purpose and may choose to transfer previously designated reserves into free reserves to enable them to utilise where most needed for the provision of the hospice's charitable aims.

As outlined in the financial statements as at 31 March 2025 general reserves were £4,616k, a decrease of £707k during the year. Of this total, £1,128k relates to unrestricted fixed assets and £452k in investment land. The remaining balance of £3,036k represents approximately 4.35 months of future operating expenditure. The reserves policy also allows for the designation of funds at the trustees' discretion. As at the 31 March 2025 designated funds were nil.

e. MATERIAL INVESTMENTS POLICY

As at 31 March 2025 the investment cash fund had a market value of £2.5m (2024: £2.9m).

The Investment Policy seeks to ensure that the hospice has the appropriate financial resources available to meet both its current and future aims. The hospice's investments are split short-term reserves and a long-term general fund. The investment objective for the short-term reserves is to preserve the capital value with a minimal level of risk and ensuring immediate liquidity of funds. The investment objective for the long-term general portfolio is to preserve the capital value of the fund in real terms, while generating income to support the ongoing activities of the hospice.

Additionally, £452k is held as investment land as at 31 March 2025, this valuation is unchanged from March 2024.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2025

Structure, governance and management

a. CONSTITUTION

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

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

The charity has a wholly owned trading subsidiary, Prospect Hospice Trading Limited, which is a retailer of new goods and operates the café within the Hospice. The subsidiary company produced a trading profit of £44.1k (2024: £30.2k) in the year.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

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

The charity's board of trustees regularly reviews the mix of its skills, and if any needs are identified then applicants with relevant skills and backgrounds who are eligible to meet the required time commitment are sought and recruited. This year, the board has anticipated forthcoming gaps in its skills mix that would arise through the rotation and retirement of longstanding trustees and has already recruited trustees to fill these skills and knowledge gaps.

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

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

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

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

c. PAY POLICY FOR STAFF

In addition to its statutory obligation to implement the national living wage and national minimum wage rates, the hospice implemented a new Pay Framework in 2021 following consultation with Trustees. The principles underlying the pay framework are:

- Staff pay should be based around the median benchmarked market rates (+/- 5%);
- Any cost of living increase awarded will be applied to all grades and roles; and
- A commitment to align pay to Agenda for Change.

The pay framework applies to all employees except for Doctors and Consultants where GMC rates apply.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2025

The Trustees review pay annually ahead of the new financial year, with a view to making a decision on pay and ordinarily implementing any pay award from 1 April. Due to the continuing cost pressures the Trustees agreed there would be no pay award for staff for the 24/25 financial year. In light of this decision Trustees in January 2025 agreed that there would be a 3% cost of living increase awarded to staff for the 25/26 financial year.

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

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

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

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

e. RISK MANAGEMENT

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

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

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

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

The Finance, Audit and Risk Committee reviews all aspects of risk and reports to the board of trustees each quarter.

f. FUNDRAISING

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

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

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

To help secure further members of our lottery, we also contracted a professional canvassing agency which provided their employees for door to door and retail canvassing. We did not employ any telephone marketing agencies to canvas for new members.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2025

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

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

We have a supporter promise on our website.

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

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

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

We have a complaints procedure and all complaints are recorded. In 24/25 we received 4 complaints out of a total of 36,027 donations made by individuals and organisations that supported Prospect Hospice during the year.

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

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

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

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

The hospice has well established data protection policies and procedures to ensure that it is fully compliant with UKGDPR and PECR regulations. Fundraising procedures include robust measures on how we contact supporters and how supporters can change the way they hear from us.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2025

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

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

Disclosure of information to auditor

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

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

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

This report, including the strategic report, was approved by the board of trustees on 31 July 2025 and signed on their behalf by:

David Cain - Chair

Independent auditors' report

To the members of

Prospect Hospice Limited

Opinion

We have audited the financial statements of Prospect Hospice Limited (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, consolidated and parent balance sheets, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, in the circumstances set out in note 9 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Independent auditors' report

To the members of

Prospect Hospice Limited

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity 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; or

Responsibilities of the trustees

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

Our responsibilities for the audit of the financial statements

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

Independent auditors' report

To the members of

Prospect Hospice Limited

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

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

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

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

(3) We inspected the minutes of trustee meetings.

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

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

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

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

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

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

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

Independent auditors' report

To the members of

Prospect Hospice Limited

Use of our report

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

Date: 31 July 2025

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Prospect Hospice Limited

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

For the year ended 31 March 2025

	Note	Restricted £000	Unrestricted £000	2025 Total £000	2024 Total £000
Income from:					
Donations and legacies	3	336	2,432	2,768	2,379
Charitable activities	4	2,305	82	2,387	2,002
Other trading activities	5	-	3,407	3,407	2,969
Investments	6	-	135	135	77
Other income		-	1	1	-
Total income		<u>2,641</u>	<u>6,057</u>	<u>8,698</u>	<u>7,427</u>
Expenditure on:					
Raising funds:					
Voluntary income		-	755	755	611
Fundraising trading		-	2,795	2,795	2,520
Charitable activities		<u>2,151</u>	<u>3,301</u>	<u>5,452</u>	<u>5,537</u>
Total expenditure	8	<u>2,151</u>	<u>6,851</u>	<u>9,002</u>	<u>8,668</u>
Net income / (expenditure) before investment gains		490	(794)	(304)	(1,241)
Net gains on investments		-	-	-	128
Net movement in funds	9	490	(794)	(304)	(1,113)
Reconciliation of funds:					
Total funds brought forward		<u>1,154</u>	<u>5,410</u>	<u>6,564</u>	<u>7,677</u>
Total funds carried forward		<u><u>1,644</u></u>	<u><u>4,616</u></u>	<u><u>6,260</u></u>	<u><u>6,564</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 23 to the accounts.

Prospect Hospice Limited

Consolidated balance sheets

As at 31 March 2025

	Note	The group 2025 £000	The group 2024 £000	The charity 2025 £000	The charity 2024 £000
Fixed assets					
Tangible assets	12	2,282	2,286	2,282	2,286
Investment property	13	452	452	452	452
Investments	14, 15, 16	2,507	2,886	2,507	2,886
		<u>5,241</u>	<u>5,624</u>	<u>5,241</u>	<u>5,624</u>
Current assets					
Stocks	17	65	63	57	55
Debtors	18	822	686	942	700
Cash at bank and in hand		858	920	742	906
		<u>1,745</u>	<u>1,669</u>	<u>1,741</u>	<u>1,661</u>
Liabilities					
Creditors: amounts falling due within 1 year	19	726	729	722	721
		<u>1,019</u>	<u>940</u>	<u>1,019</u>	<u>940</u>
Net current assets					
		<u>6,260</u>	<u>6,564</u>	<u>6,260</u>	<u>6,564</u>
Net assets					
		<u>1,644</u>	<u>1,154</u>	<u>1,644</u>	<u>1,154</u>
Funds					
Restricted funds	23	1,644	1,154	1,644	1,154
Unrestricted funds:					
Designated funds		-	87	-	87
General funds		4,616	5,323	4,616	5,323
		<u>6,260</u>	<u>6,564</u>	<u>6,260</u>	<u>6,564</u>
Total charity funds					
		<u>6,260</u>	<u>6,564</u>	<u>6,260</u>	<u>6,564</u>

Approved by the trustees on 31 July 2025 and signed on their behalf by

David Cain - Chair

Prospect Hospice Limited

Consolidated statement of cash flows

For the year ended 31 March 2025

	2025 £000	2024 £000
Cash used in operating activities:		
Net movement in funds	(304)	(1,113)
<i>Adjustments for:</i>		
Depreciation charges	120	138
Gains on investments	-	(128)
Dividends, interest and rents from investments	(135)	(77)
Loss / (profit) on the sale of fixed assets	(1)	3
Impairment of fixed assets	-	3
Increase in stock	(2)	(8)
Increase in debtors	(136)	(229)
Increase in creditors	(2)	55
Net cash used in operating activities	<u>(460)</u>	<u>(1,356)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	135	77
Purchase of fixed asset investments	(121)	-
Disposal of fixed asset investments	500	2,596
Purchase of tangible fixed assets	(116)	(134)
Movement in cash held by investment manager	-	(1,527)
Net cash provided by investing activities	<u>398</u>	<u>1,012</u>
Cash flows from financing activities:		
Repayment of borrowing	-	(1,300)
Net cash used in financing activities	<u>-</u>	<u>(1,300)</u>
Decrease in cash and cash equivalents in the year	(62)	(1,644)
Cash and cash equivalents at the beginning of the year	<u>920</u>	<u>2,564</u>
Cash and cash equivalents at the end of the year	<u><u>858</u></u>	<u><u>920</u></u>

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies

a) Basis of preparation and general information

Prospect Hospice is a charitable company limited by guarantee registered in England and Wales. The registered office address is Moormead Road, Wroughton, Swindon, Wiltshire, SN4 9BY.

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

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

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

b) Group accounts

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

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. The Trustees recognise that going concern continues to be an uncertainty for the hospice over the longer term as it navigates the path back to a recurring state of financial sustainability. Financial sustainability is one of the key objectives of the current hospice 5-year strategy that was developed during 2023/24 with work continuing during 2024/25 on the detailed operating plans to support the strategy. Having considered the financial results for 2024/25 together with the budget set for 2025/26, the Trustees are satisfied that the charity is able to continue as a going concern and the accounts have been prepared on this basis.

d) Income

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

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

d) Income (continued)

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

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

e) Donated services and facilities

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

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

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

f) Interest receivable

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

g) Funds accounting

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

h) Expenditure and irrecoverable VAT

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

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

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

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

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

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

i) Allocation of support costs

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

j) Tangible fixed assets

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

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

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

k) Investment property

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

l) Investments

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

m) Stock

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

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors

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

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Pension costs

The charity participates in an NHS defined benefit scheme, and a Royal London (formerly Scottish Life) defined contribution scheme. Under the NHS Pension Scheme Direction Order (1996) only qualifying employees are permitted to join the NHS pension scheme. There are no further liabilities other than that already recognised in the SOFA.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

s) Accounting estimates and judgements

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

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

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

t) Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2. Prior period comparatives

	Restricted	Unrestricted	2024
	£000	£000	Total
			£000
Income from:			
Donations and legacies	148	2,231	2,379
Charitable activities	1,933	69	2,002
Other trading activities	-	2,969	2,969
Investments	-	77	77
	<u>2,081</u>	<u>5,346</u>	<u>7,427</u>
Total income	2,081	5,346	7,427
Expenditure on:			
Raising funds:			
Voluntary income	-	611	611
Fundraising trading	-	2,520	2,520
Charitable activities	2,115	3,422	5,537
	<u>2,115</u>	<u>6,553</u>	<u>8,668</u>
Total expenditure	2,115	6,553	8,668
Net expenditure before investment gains	(34)	(1,207)	(1,241)
Net gains on investments	-	128	128
	<u>-</u>	<u>128</u>	<u>128</u>
Net movement in funds	(34)	(1,079)	(1,113)

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

3. Income from donations and legacies

	Restricted £000	Unrestricted £000	2025 Total £000
Donations	23	890	913
Grants	128	-	128
Prospect fundraising events	32	201	233
Community fundraising	-	546	546
Boxes income	-	47	47
Legacies	-	329	329
Trusts income	153	69	222
In memorium	-	350	350
Total donations and legacies	336	2,432	2,768

Prior period comparative

	Restricted £000	Unrestricted £000	2024 Total £000
Donations	-	533	533
Prospect fundraising events	32	168	200
Community fundraising	-	313	313
Boxes income	-	44	44
Legacies	-	819	819
Trusts income	83	106	189
In memorium	33	248	281
Total donations and legacies	148	2,231	2,379

4. Income from charitable activities

	Restricted £000	Unrestricted £000	2025 Total £000
Swindon CCG	1,807	-	1,807
Wiltshire CCG	335	-	335
Great Western Hospitals NHS Foundations Trust	-	8	8
Health England (GPST1 doctors funding)	135	-	135
NHS Continuing Health Care (CHC)	-	19	19
Education & Training Income	-	22	22
Other	28	33	61
Total charitable activities	2,305	82	2,387

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

4. Income from charitable activities (continued) Prior period comparative	Restricted	Unrestricted	2024
	£000	£000	Total £000
Swindon CCG	1,383	-	1,383
Wiltshire CCG	322	-	322
Great Western Hospitals NHS Foundations Trust	-	15	15
Health England (GPST1 doctors funding)	205	-	205
Education & Training Income	4	24	28
Other	19	30	49
Total charitable activities	1,933	69	2,002

5. Income from other trading activities	2025	2024
	£000	£000
Shops and retail	2,514	2,189
Lottery income	740	697
Catering income	153	83
Total other trading activities	3,407	2,969

All income from other trading activities in the current and prior year was unrestricted.

6. Investment income	2025	2024
	£000	£000
Income from cash held at UK banks	14	50
Income from investment portfolio	121	27
Total investment income	135	77

All investment income in the current and prior year was unrestricted.

7. Government grants

The charitable company receives funding from the government in the form of a standard NHS contract from Bath and North East Somerset, Swindon and Wiltshire (BSW) ICB. During the year, the charity also received a capital grant from the DHSC via Hospice UK. Details of the amounts received are in note 3 and 4 to the accounts. There are no unfulfilled conditions or contingencies attaching to these funds.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

8. Expenditure

	Direct costs £000	Support costs £000	2025 Total £000
Raising funds			
Costs of generating voluntary income	<u>619</u>	<u>136</u>	<u>755</u>
Fundraising trading			
Costs of goods sold in shops and café	105	18	123
Lottery prizes and overheads	225	8	233
Retail costs	<u>1,824</u>	<u>615</u>	<u>2,439</u>
	<u>2,154</u>	<u>641</u>	<u>2,795</u>
Charitable activities			
In-patient unit	1,708	734	2,442
Community care	1,107	524	1,631
Influencing and education	705	560	1,265
Governance costs	<u>114</u>	<u>-</u>	<u>114</u>
	<u>3,634</u>	<u>1,818</u>	<u>5,452</u>
Total expenditure	<u><u>6,407</u></u>	<u><u>2,595</u></u>	<u><u>9,002</u></u>
Prior year comparative			
	Direct costs £000	Support costs £000	2024 Total £000
Raising funds			
Costs of generating voluntary income	<u>451</u>	<u>160</u>	<u>611</u>
Fundraising trading			
Costs of goods sold in shops and café	56	18	74
Lottery prizes and overheads	152	9	161
Retail costs	<u>1,678</u>	<u>607</u>	<u>2,285</u>
	<u>1,886</u>	<u>634</u>	<u>2,520</u>
Charitable activities			
In-patient unit	1,794	778	2,572
Community care	1,083	517	1,600
Influencing and education	718	546	1,264
Governance costs	<u>101</u>	<u>-</u>	<u>101</u>
	<u>3,696</u>	<u>1,841</u>	<u>5,537</u>
Total expenditure	<u><u>6,033</u></u>	<u><u>2,635</u></u>	<u><u>8,668</u></u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

9. Net movement in funds

This is stated after charging:

	2025	2024
	£000	£000
Depreciation	120	138
Operating lease payments	404	353
Trustees' remuneration	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit for the group (excluding VAT)	<u>16</u>	<u>15</u>

During the year, one trustee was reimbursed travel expenses of £75 (2024: nil).

In common with other charities of our size and nature we use our auditors to assist with the preparation of the financial statements and to prepare and submit returns to the tax authorities.

10. Staff costs and numbers

Staff costs were as follows:

	2025	2024
	£000	£000
Salaries and wages	5,478	5,267
Social security costs	509	494
Pension costs	<u>406</u>	<u>400</u>
	<u>6,393</u>	<u>6,161</u>

Termination and redundancy payments totalling £59k were paid during the year (2024: £25k). This included £2k of ex-gratia payments.

	2025	2024
	No.	No.
Average number of employees	<u>208</u>	<u>197</u>
Full time equivalents:		
	2025	2024
	No.	No.
Medical	5	5
In-patient nurses	24	26
Community care	33	34
Influencing and education	3	2
Catering and housekeeping	6	5
Income generation	47	47
Facilities and reception	2	2
Admin and support	23	21
Management	<u>8</u>	<u>7</u>
	<u>151</u>	<u>149</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

10. Staff costs and numbers (continued)

During the year, bank staff employed by the hospice are used to cover short term absences, vacancies and training. When bank staff are not available external agency staff are then used. Total payments for bank staff made through the payroll in the year was £82k (2024: £153k).

At 31 March 2025 there were 33 members of the NHS pension scheme (2024: 38), and 132 members of the Royal London Group Personal pension plan (2024: 136).

The number of higher paid employees was:	2025	2024
	No.	No.
£70,001 - £80,000	1	1
£80,001 - £90,000	2	4
£90,001 - £100,000	2	1
£150,001 - £160,000	1	-
£160,001 - £170,000	-	1
	6	7

The total emoluments inclusive of all employer related costs and termination, redundancy and other restructuring fixed term contractual payments paid to key management personnel (5.5 FTE) for the year was £646k (2024: 5.4 FTE, £693k), of which, pension contributions amounted to £35k (2024: £36k).

11. Taxation

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

12. Tangible fixed assets: group and charity

	Hospice land and buildings £000	Leasehold improvements £000	Equipment for care and support £000	Other equipment and vehicles £000	Total £000
Cost					
At 1 April 2024	4,012	215	468	1,091	5,786
Additions	14	45	20	37	116
Disposals	(5)	(57)	(222)	(478)	(762)
At 31 March 2025	<u>4,021</u>	<u>203</u>	<u>266</u>	<u>650</u>	<u>5,140</u>
Depreciation					
At 1 April 2024	1,913	200	442	945	3,500
Charge for the year	63	3	9	45	120
Disposals	(5)	(57)	(222)	(478)	(762)
At 31 March 2025	<u>1,971</u>	<u>146</u>	<u>229</u>	<u>512</u>	<u>2,858</u>
Net book value					
At 31 March 2025	<u>2,050</u>	<u>57</u>	<u>37</u>	<u>138</u>	<u><u>2,282</u></u>
At 31 March 2024	<u>2,099</u>	<u>15</u>	<u>26</u>	<u>146</u>	<u>2,286</u>

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

13. Investment property: group and charity

	2025 £000	2024 £000
Market value at 1 April 2024 and 31 March 2025	<u>452</u>	<u>452</u>
Historic cost	<u>153</u>	<u>153</u>

The investment land shown relates to a share of land that was given in a legacy. The ownership of the land has been transferred into the names of the three beneficiaries of which Prospect Hospice is one. The latest desktop valuation of the land was carried out on 31 March 2025 by Chesters Harcourt. This concluded there was no material change in valuation on the proportion of the developable land. The remaining proportion of land is held at arable value. The trustees consider this a fair estimate of land value as at 31 March 2025.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

14. Investments: group and charity

	2025	2024
	£000	£000
Market value at 1 April 2024	2,886	3,777
Additions	121	-
Disposal proceeds	(500)	(2,596)
Realised and unrealised gains	-	128
	<u>2,507</u>	<u>1,309</u>
Market value at 31 March 2025		
	<u>2,507</u>	<u>1,309</u>
Cash held pending reinvestment	-	1,577
	<u>2,507</u>	<u>2,886</u>
Total investments	2,507	2,886
Investments comprise:		
Listed investments	-	1,309
Cash and cash equivalents	2,507	1,577
	<u>2,507</u>	<u>2,886</u>
Total investments	2,507	2,886

All listed investments were held in a CCLA Common Investment Fund until 23 May 2024 at which point the funds were transferred to a CCLA Deposit Fund.

The charity also holds a £2 investment in a trading subsidiary, Prospect Hospice Trading Limited, as detailed in note 15.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

15. Subsidiary undertakings

Prospect Hospice Trading Limited

Prospect Hospice Trading Limited (company number: 03725477) is a wholly owned subsidiary of Prospect Hospice Limited with an issued share capital of two ordinary shares of £1 each. It trades in the purchase and sale of 'new goods' within our retail operations and operates a cafe within the hospice. This company makes a donation to the charity of its taxable profits under the gift aid scheme.

	2025	2024
	£000	£000
Turnover	204	129
Cost of sales	<u>(102)</u>	<u>(56)</u>
Gross profit	102	73
Administrative expenses	<u>(58)</u>	<u>(43)</u>
Profit on ordinary activities before taxation	44	30
Tax on profit / (loss) on ordinary activities	<u>-</u>	<u>-</u>
Profit for the financial year after taxation	<u>44</u>	<u>30</u>
<i>Changes in equity</i>		
Total retained losses brought forward	-	-
Total comprehensive income for the year	44	30
Gift aid distribution to parent charity	<u>(44)</u>	<u>(30)</u>
Total retained profit / (losses) carried forward	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:		
	2025	2024
	£000	£000
Assets	133	37
Liabilities	<u>(133)</u>	<u>(37)</u>
Funds	<u>-</u>	<u>-</u>

16. Parent charity

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

	2025	2024
	£000	£000
Gross income	8,597	7,368
Results for the year	<u>(305)</u>	<u>(1,113)</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

17. Stock

	The group		The charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Goods for resale	<u>65</u>	<u>63</u>	<u>57</u>	<u>55</u>

18. Debtors

	The group		The charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Trade debtors	103	270	93	269
Amounts owed by group undertakings	-	-	122	29
Tax recoverable	64	63	72	49
Prepayments and accrued income	<u>655</u>	<u>353</u>	<u>655</u>	<u>353</u>
	<u>822</u>	<u>686</u>	<u>942</u>	<u>700</u>

19. Creditors: amounts due within 1 year

	The group		The charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Trade creditors	123	110	123	106
Accruals	303	219	300	216
Other taxation and social security	112	128	111	128
Other creditors	14	57	14	57
Deferred income (see note 20)	<u>174</u>	<u>215</u>	<u>174</u>	<u>214</u>
	<u>726</u>	<u>729</u>	<u>722</u>	<u>721</u>

20. Deferred income

	The group		The charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
At 1 April 2024	215	186	214	186
Deferred during the year	174	215	174	214
Released during the year	<u>(215)</u>	<u>(186)</u>	<u>(214)</u>	<u>(186)</u>
At 31 March 2025	<u>174</u>	<u>215</u>	<u>174</u>	<u>214</u>

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

21. Financial instruments measured at fair value

	The group		The charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Financial assets measured at fair value	<u>2,959</u>	<u>3,338</u>	<u>2,959</u>	<u>3,338</u>

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

22. Analysis of group net assets between funds

	Restricted funds £000	General funds £000	Total funds £000	
Tangible fixed assets	1,154	1,128	2,282	
Investment property	-	452	452	
Fixed asset investments	-	2,507	2,507	
Current assets	499	1,246	1,745	
Current liabilities	(9)	(717)	(726)	
Net assets at 31 March 2025	<u>1,644</u>	<u>4,616</u>	<u>6,260</u>	
Prior year comparative	Restricted funds £000	Designated funds £000	General funds £000	Total funds £000
Tangible fixed assets	1,092	-	1,194	2,286
Investment property	-	-	452	452
Fixed asset investments	-	-	2,886	2,886
Current assets	62	87	1,520	1,669
Current liabilities	-	-	(729)	(729)
Net assets at 31 March 2024	<u>1,154</u>	<u>87</u>	<u>5,323</u>	<u>6,564</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

23. Movements in funds

	At 1 April 2024 £000	Income £000	Expenditure £000	Transfers between funds £000	At 31 March 2025 £000
Restricted funds					
Building funds	1,092	-	(54)	-	1,038
Costs of equipment	-	24	-	-	24
DHSC Capital Grant Programme	-	128	-	-	128
Running costs	62	2,489	(2,097)	-	454
Total restricted funds	1,154	2,641	(2,151)	-	1,644
Unrestricted funds					
Designated funds	87	-	-	(87)	-
General funds	5,323	6,057	(6,851)	87	4,616
Total unrestricted funds	5,410	6,057	(6,851)	-	4,616
Total funds	6,564	8,698	(9,002)	-	6,260

Restricted funds

Building funds

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

Costs of equipment

This relates to funds received from Swindon Bus Company and Wiltshire Garden Trust to purchase capital items, and will be spent down by the depreciation charge of the related assets beginning in the following financial year.

DHSC Capital Grant Programme

This relates to funds received from Hospice UK to purchase capital items, and will be spent down by the depreciation charge of the related assets beginning in the following financial year.

Running costs

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

Unrestricted funds

Designated funds

This related to a potential liability arising from additional obligations around pension contributions. Indications were that the estimated value of these potential payments was in the region of £100k and the costs incurred to 31 March 2024 were £13k, leaving a balance of £87k at 31 March 2024. The trustees took the decision to release this designated fund to general funds in the year ended 31 March 2025 as it is deemed highly unlikely that the liability will materialise.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

23. Movements in funds (continued)

Prior year comparative

	At 1 April 2023 £000	Income £000	Expenditure £000	Gains / (losses) £000	Transfers between funds £000	At 31 March 2024 £000
Restricted funds						
Building funds	1,146	-	(54)	-	-	1,092
Costs of equipment	5	-	(5)	-	-	-
Running costs	37	2,081	(2,056)	-	-	62
Total restricted funds	1,188	2,081	(2,115)	-	-	1,154
Unrestricted funds						
Designated funds	100	-	(13)	-	-	87
General funds	6,389	5,346	(6,540)	128	-	5,323
Total unrestricted funds	6,489	5,346	(6,553)	128	-	5,410
Total funds	7,677	7,427	(8,668)	128	-	6,564

24. Pension commitments

The charity has active members in an NHS defined benefit scheme and a Royal London (formerly Scottish Life Group) Personal Pension Plan (RL). Since 1996, Prospect have also been subject to The Prospect Foundation Ltd (Superannuation) Direction 1996 ("the Direction Order") from the NHS which permits qualifying employees to join the NHS pension scheme. All other employees are entitled to join the RL plan. The pension charge represents contributions payable by the charity to these funds.

RL Scheme

The assets of the RL scheme are held separately from those of the charity in a separately administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £209k (2024: £195k).

NHS Scheme

The NHS scheme is a multi-employer defined benefit pension scheme. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reliable basis, the scheme is treated by the charity as if it were a defined benefit contribution scheme, in accordance with FRS 102. The pension cost charge represents contributions payable by the charity to the fund and amounted to £180k (2024: £191k).

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2025

25. Operating lease commitments

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

	The group		The charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Amount falling due:				
Within 1 year	303	262	303	262
Within 1 - 5 years	393	293	393	293
Over 5 years	19	4	19	4
	<u>715</u>	<u>559</u>	<u>715</u>	<u>559</u>

26. Contingent assets

There are some legacies which have been notified to the charity at 31 March 2025 for which the amount receivable cannot be ascertained. These financial statements include payments received on account but not any estimates for future amounts receivable. Indications are that the estimated value of these potential legacies is in the region of £920k (2024: £275k).

27. Related party transactions

No members of the board of trustees received any remuneration for their services. In the year, one trustee received £75 reimbursement of travel expenses (2024: nil).

One trustee made donations to the charity totalling £600 in the year (2024: nil).

Beyond the transactions with its subsidiary, there were no further related party transactions during the year. In the prior year, trustee Joseph Lewis (resigned 22 August 2023) was a partner at law firm Gardner Leader LLP. Gardner Leader LLP provided legal services related to the commercialising of catering for £825 + VAT.

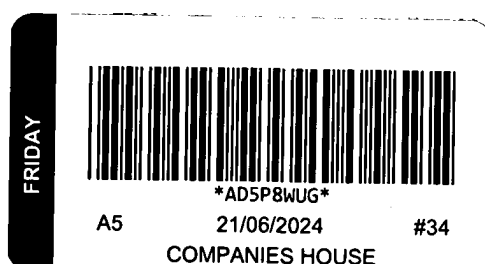
PROSPECT HOSPICE LIMITED

England & Wales - Charity number 280093

Accounts

Company no. 01494909
Charity no. 280093

Prospect Hospice Limited
Report and Audited Financial Statements
31 March 2024



Prospect Hospice Limited

Reference and administrative details

For the year ended 31 March 2024

Company number 01494909

Charity number 280093

Registered office and operational address Moormead Road
Wroughton
Swindon
Wiltshire
SN4 9BY

Patrons Jonathan Wilkes
Helen Browning
Sarah Troughton

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Pradeep Bhardwaj	resigned 15 January 2024
Nathan Bishop	appointed 2 January 2024
Sheila Bryant	resigned 17 July 2023
Eleanor Butler	resigned 17 July 2023
Peter Cadman	appointed 2 January 2024
Philomena Creffield	appointed 2 January 2024
Kevin Howard	
Helen Jones	
Sarah Jones	
Joseph Lewis	resigned 22 August 2023
Julie-Anne Marshman	
Sadie Panter	appointed 11 May 2023
Ian Price	appointed 20 February 2024
Carys Ritchie	appointed 17 August 2023
Nigel Sully	appointed 11 May 2023

Chief executive officer Jeremy Lune appointed 1 May 2023

Executive team

Helen Baxter	Director of Finance
Carolyn Bell	Director of Patient Services
Warren Finney	Director of Community Development (until 30 September 2023)
Jo Hollingsworth	Director of People
Charlotte Forrest	Director of Income Generation (from 21 February 2024)

Medical director Sheila Popert

Prospect Hospice Limited

Reference and administrative details

For the year ended 31 March 2024

Bankers

HSBC plc
Unit 6
The Lock
Canal Walk
Swindon
SN1 1LD

Investment managers

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Vanguard Investments UK Limited (until July 2023)
The Walbrook Building
25 Walbrook
London
EC4N 8AF

Auditors

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

The trustees present their annual report together with the audited financial statements of Prospect Hospice Limited for the year 1 April 2023 to 31 March 2024. This report incorporates the strategic report as required by company law.

Objectives and activities

a. POLICIES AND OBJECTIVES

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

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

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

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

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

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

Overview of the year

At the outset of 23/24 we were confident that this year we could build on the small surplus financial position from 22/23. However this has been another financially challenging year for the hospice, with the cost of living crisis continuing to have a direct impact on the cost of providing our care and equally the income that could be generated to fund that care.

The high inflation and interest rates experienced in 22/23 had a knock on effect into 23/24 and as a consequence the annual operating costs of the hospice have risen by £1.1 million per annum, whilst the operating income over the same period fell by £0.7 million.

As a result of the continued financial pressures the hospice incurred an operating financial deficit of £1.2 million for the 2023/24 financial year, which has been funded from retained reserves. The hospice budget for 2024/25 is also a financial deficit of £1 million.

Despite the continued cost of living crisis our supporters have this year contributed £5.3 million towards the costs of running our services. From those who donate and buy the goods in our retail shops to the many people who participate in our fundraising events and activities through to those who leave a lasting legacy through a gift in their will, the generous support of the community enables the hospice to provide its much needed services.

Our hospice mission is to work with and through others using our skills and expertise so that people have choice and support at the end of their life. In support of this mission, this year our teams have taken the lead and participated in collaborative work on MND and Frailty. In addition the hospice is part of wider group of health and social care organisations who are working together with the aim of transforming community services for Wiltshire.

We also continued to invest in our people and some key highlights included our two leadership development programmes, the Bluebell ASPIRE programme for healthcare assistants and our lunch and learn staff education sessions. We also continued with our organisational development and culture programme which we began in 2019.

We are enormously proud of our team of 650 volunteers and the support they provide to the hospice. This year we developed a new volunteering strategy, embedded a new retail volunteer induction programme and developed partnership arrangements with other organisations to deliver community based services.

We are also proud of the work done this year to educate and influence the delivery of excellence in end of life care, which included business breakfasts for local care homes and businesses and professional insight visits for healthcare workers.

Other highlights of the year included:

- Rolling out of our food to order service as another source of income for the hospice;
- Upgraded our IT operating software to Microsoft 365;
- Implemented a new finance purchase order system incorporating AI machine learning;
- Upgraded our fundraising CRM system Raiser's Edge to NXT;
- Upgraded our retail in store Epos till system; and
- Being selected as 1 of 9 hospices to work with St Christopher's Hospice and Edinburgh University in a new practice-based development programme.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

Achievements and performance

As outlined in the overview there continues to be a significant level of uncertainty as the hospice navigates the route back to achieving a sustainable financial operating position without having to rely on its retained reserves to fund the gap between annual income and operating costs. The hospice is not alone, with Hospice UK recently reporting an expected £77m deficit position across the hospice sector for the 23/24 financial year.

The macro-economic environment continues to pose challenges to the hospice as a result of increased operating costs which are not currently matched by an increase in income. The impact of inflation on staff salaries and other hospice operating costs has seen the total expenditure for the hospice increase from £7.6m in 22/23 to £8.7m in 23/24. Over this same time period total hospice income reduced from £8.2m (£7.7m on a like for like basis) to £7.4m.

In the autumn of 2023, the hospice opened two additional IPU beds to help ease the demand pressures in the wider healthcare system. The trustees were happy to support this as there was an expectation that there would be additional NHS funding to cover the increased cost. Unfortunately, this funding did not materialise, and in light of the continued financial pressures the hospice had to reduce back to six beds.

Throughout the year our staff and volunteers have continued to go the extra mile to ensure we are there for our patients and their loved ones.

Supporting patients and families

During the year we cared for 1,504 new and re-referred patients, of which 218 patients were admitted to our inpatient unit to help care for those with more complex needs. Our specialist community team cared for the remaining 1,286 patients mainly in their own homes. In total the community team made 21,592 contacts with patients and families, of which 4,365 were face to face patient visits and 17,227 telephone consultations/contacts.

This year we were also able to build our lymphoedema service with additional funding from Swindon CCG. This enabled our specialist nurses to care for 261 palliative and non-palliative patients. The hospice is the only provider of lymphoedema services for Swindon and North East Wiltshire.

In line with our strategic goal to educate and influence the delivery of excellence in end of life care we have also collaborated in a number of innovative projects this year, a few of which are outlined below:

- We appointed an MND specialist practitioner and MND Healthcare assistant to work in collaboration with the hospital MND clinic alongside the consultant neurologist, hospital staff, outpatients and nursing homes, GP surgeries and the MND multidisciplinary team. To date, twenty-two patients and their families have been supported and over six hundred healthcare professionals have attended education sessions on MND, and symptom management provided by our MND specialist practitioner. Whilst this is still a new service we are providing there has already been some fabulous feedback from patients, such as: "no one else seems to understand about MND, if you ever need anything at all we always come straight to you and you will sort it" and "Everything can feel like a battle to get what we need, I don't know what we would do without you fighting our corner".

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

- With the aid of Grant Funding through Hospice UK we have been able to participate in the Frailty care programme. The hospice is working collaboratively with the NHS at home (virtual ward) team in Swindon to provide a specialist support role in improving palliative end of life care to patients and their families. This project is about identifying opportunities for and helping to deliver better patient led "what matters to me" conversations and enable better decision making. The funding provided has enabled the hospice to appoint a part time specialist nurse to work with the NHS at home team. This is a 2 year programme which will run through to the end of 24/25. To date, forty-five new patients identified as part of this project have included those with heart failure and chronic obstructive pulmonary disease.
- Another great achievement this year has been the work to implement the lantern model of nursing which was developed through St Christopher's Hospice (authors: Marie Cooper and Heather Richardson) in 2020. This is a contemporary model of nursing for people at the end of life. Following the completion of training the hospice was delighted to be selected as a "beacon" hospice to work with St Christopher's and Edinburgh University in a new practice-based programme which ran from May 2023 through to March 2024. This assisted in co-creating and testing a guided approach that will support and develop a person-centred culture within an inpatient palliative care environment. The approach is evidence-based learning and action, which will be evaluated and adapted to reflect the experience of participants.

Another one of our objectives is to deliver bespoke specialist end of life care that supports dignity and choice. Therefore it is essential that we seek and act on the feedback we receive from our patients and their loved ones. The hospice has used the iWantGreatCare system to capture patient feedback since 2022 and this year received certificates of excellence in recognition of consistently achieving outstanding patient feedback. We would like to thank all of our patients and their loved ones who have taken the time to share their personal experiences with us. Some families who have shared their stories with us include:

Graham and Katie

"Graham devoted himself to his family and just enjoying life. "He just cared about people," remembers his daughter Katie."

It was during a trip in Australia that they first noticed something was wrong with Graham, leading to a diagnosis of bladder cancer. The cancer eventually spread throughout Graham's bones, causing severe pain that medication could not alleviate. The family decided to seek help from Prospect Hospice, despite Graham's initial reluctance due to his desire to die at home. However, once admitted, Graham found relief and comfort, which significantly improved his quality of life.

Katie remembers how the hospice provided comprehensive care, not just for Graham but for the entire family. Looking back at their time at Prospect Hospice, Katie's fondest memory is of her Dad and her newborn son. "When my son was born, dad wasn't confident holding him because of the pain in his joints. The new treatment plans the hospice arranged for him meant that he finally had the confidence to pick up his grandson and give him a cuddle. It was incredible to see. The hospice gave that to him."

Graham died at home at the age of sixty. "His final passing was lovely. Me, my mum, and brother were all with him. We had a cup of tea, and his favourite music was playing in the background. If we hadn't had the involvement from Prospect Hospice, none of that would have been possible. Without them, dad would have died in agony but, because of them, he got to die the way he wanted to – at home, surrounded by his family and I'll always be grateful to them for giving us that."

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

Robin and Mary

"When my mother was diagnosed with MND, we knew that the illness was incurable. It came as such a shock to us as she had led a physical, outdoor life and had always been incredibly fit and healthy. As she deteriorated and needed more care, I looked after her for 16 months at her home before her health deteriorated. We were told there might be a bed available for her at the hospice. It was all happening so quickly, and we hadn't expected it, but I can't tell you what a godsend it was. We had a lot of anxiety but that was all removed as soon as we stepped over the threshold of the hospice in Wroughton. It was like stepping into a sanctuary. We immediately sensed that we were in the care of compassionate professionals. The whole environment enabled us to concentrate on the important things like being focused emotionally on my mother. We felt like we'd been given a golden gift. Our time spent at the hospice has left us with some very special memories. My mother absolutely adored nature and loved being outdoors. Her room looked out onto the stunning gardens that were teeming with wildlife. We'd sit at my mother's bedside with the patio doors open and watch the nature. The day before my mother passed away, we had such beautiful weather that we moved her bed out onto the patio. We sat her up in her bed so she was lying with nature all around her and could listen to the birds singing. The whole experience was extraordinary, and we spent all afternoon out there. To be able to give her the opportunity to breathe fresh air and have the sense of nature around her was a real privilege and in stark contrast to our experience of the hospital. I know she couldn't have wished for a better ending."

Investing in people

Investing in our people is another key objective of our organisational strategy. This year has been about consolidation, reviewing policies and creating the conditions to ensure we remain at the forefront of end of life care delivery locally.

We continue to see a thriving organisational culture, with a continuing reduction in the rolling 12-month turnover rate of just 13.4%, and absence rates across the year below better than our target of 4%, underpinned by a focus on staff wellbeing and promotion of our ASPIRE values.

In the autumn, we held our annual Your Prospect event which plays a significant role in our organisation development and culture programme. This year we focused on individual growth, resilience, and wellbeing, as well as personal accountability. We celebrated the impact we had over the past year and committed to future development. The design and delivery of the annual Your Prospect event in autumn 2024 has been handed over to the Staff Forum, an example of leadership at every level in practice.

In the past year we have invested heavily in developing leadership capability. Senior leaders and staff at team leader level have undergone comprehensive development programmes, comprising knowledge sessions, independent study and coaching or mentoring.

Our healthcare assistants, too, have benefited from our newly introduced Bluebell ASPIRE programme, aimed at equipping them with the skills and insights to extend their practice into that of specialist Palliative Healthcare Assistants. In the coming months, we plan to design and deliver a development programme for our registered nurses.

In the last year we have conducted a large-scale review of all our 650 volunteer records, archiving historic paper files and developing paperless systems. Alongside this, electronic records have been transferred from our HR database to our supporter database, to facilitate record-keeping and reporting, and ensure a joined-up supporter management approach with fundraising.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

A new retail volunteer induction programme has been embedded, with six sessions delivered so far. This has been established to ensure new retail starters receive consistent messaging, are assessed for the relevant skills needed to be effective in retail and understand the expectations of the role with regard to customer service, working inclusively, income generation and promoting the services of the hospice, recognising that our retail volunteers have the potential to be some of our most ardent supporters in their own communities.

In support of our organisational strategy, our volunteering strategy demonstrates our intention to reach all sectors of the community by ensuring that our volunteer workforce better reflects that community and works more closely into it. Our existing partnership work with community referral sources, such as Broad Green Community Centre, the Harbour Project, the Richmond Fellowship and the DWP and a range of local schools - to name but a few – helps to position us more clearly as a community-based hospice.

Diversifying our volunteer group is also one strand of the voluntary services strategy to ensure we are 'future-proofed' in terms of securing the numbers we require, particularly given that a large proportion of our current volunteer pool is in the older age groups and unlikely to continue volunteering in the short to medium-term. In recent years we have sought to recruit larger numbers of younger volunteers. In 2016 only ten volunteers were under the age of twenty-five, and by the start of the pandemic in 2020, this number had risen to 85 – around 10% of the total number of volunteers at the time. Numbers dropped again after the pandemic, and currently 9% of the entire volunteer workforce is under the age of thirty-five, so we have a renewed focus on increasing representation in the lower age groups.

We have also developed partnering arrangements with other organisations to deliver community-based services. For example, Prospect Hospice volunteers contribute to the running of the hugely successful Memory Café, created by Swindon Borough Council, which takes place once a month in the Heart of the Hospice. We have also worked with Carers Support Wiltshire to develop their bereavement help point model into parts of NE Wiltshire. Currently, one help point is held regularly in Marlborough, run entirely by volunteers trained by Prospect Hospice, and we aim to extend our reach to other parts of our catchment area in due course, subject to clinical staff resources.

Equity, Diversity and Inclusion (EDI)

In the last year we have worked to embed EDI at both operational and strategic levels, with a new strategic oversight group convening to set direction and facilitate progress in this area. The group is made up of the chair of the trustee board, the CEO, the EDI lead, director of services and two additional senior leaders, all of whom are key to embedding an inclusive culture and well-placed to expand our work, particularly in the priority areas of service user consultation, community engagement and collaboration and partnership work.

A more junior level 'champions' group works to ensure inclusion is at the forefront of everyday work, organising events and resources to keep our workforce informed and aware of a variety of topics relating to diversity and inclusion.

Learning and development

We have worked hard to develop the internal learning and development culture, creating delivery programmes that help us to maintain high rates of compliance for all statutory, mandatory and competency training.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

We also seize opportunities to provide learning in a format that fits with the flow of work for our teams. As an example, our lively and varied programme of lunch and learn sessions continues apace, with recent topics including non-invasive ventilation, boundaries, transference and countertransference, nutrition to reduce stress; an introduction to Paganism, and an overview of the work of Papyrus, the national organization to prevent suicide in young people. Clinical staff also benefit from reflect and restore sessions, aimed at developing excellence of practice.

In pursuit of our strategic objectives to use our expertise to educate and influence the delivery of excellence in end of life care, we continue to develop ways of engaging our local community through our learning and development activities. We held our first business breakfast in March, with delegates attending on the day from local care homes and businesses. The theme of the session was approaches to pain relief at end of life, with input from our Director of Services, Community Nurse Specialist and our Advanced Clinical Practitioner. We used the opportunity to extend our network of potential training recipients whilst marketing our current training courses.

We held the latest in a series of school visits at the beginning of February, this time hosting pupils from the Ridgeway School. We have also set up professional insight visits aimed at prospective and existing healthcare workers.

In accordance with our mission to work with and through others, our learning and development activity lends itself to extending the range of collaborative work we engage in. As an example, we are currently co-creating a package of training with the Brandon Trust, aimed at staff who work with people with learning disabilities requiring support around end of life.

Income generation

It is only through the generous financial support of the community that the hospice can continue to deliver its outstanding care for the people of Swindon and North East Wiltshire. However this has been another challenging year, as the cost of living crisis continues to impact the amount of money that could be raised through voluntary income streams. However, despite this our generous supporters still raised £5.3m (72%) of the total hospice income in the year of £7.4m.

Our fantastic community once again supported us financially in a number of ways whether it was taking part in some of our annual fundraising events, purchasing raffle tickets, in memory donations or by joining our regular giving scheme, which in total raised £1.4m. In addition our hospice lottery continues to be one of our most reliable sources of voluntary income at £0.7m for the year and a further £0.8m came from those who of those who have kindly left us a lasting legacy through a gift in their will. We were also fortunate to have received £0.2m from grant makers and trust funds this year.

We also have great support from our local businesses who not only provide us with funding to support our fundraising activities but also support us in many other ways, such as providing us with vans for our shops free of charge, enabling their staff to volunteer with us, and providing us with free space to run our staff events. All of this support is either directly generating more income for the hospice or enabling us to save on our expenditure. We are so appreciative of all of the support we have received this year.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

During the year we were delighted to be able to open two new shops in our Swindon catchment area, one at Tadpole Gardens and the other in Cavendish Square. Both shops have been well received by their local communities and are welcome additions to our retail portfolio. Our retail team continues to seek out opportunities to enhance and grow this income stream and are looking forward to opening a new furniture shop and house clearance operation in 2024.

This year we also invested in a new EPOS till system KUDOS for our shops, which was originally planned for 2020 but the pandemic delayed this. Some of the benefits will include easier gift aid processing, easier purchasing and processing for lottery and raffles, as well as a faster payment experience for our customers.

One of our new income opportunities piloted this year was our "food to order" service from our onsite catering team, which has had a great response so far.

In addition to the income streams outlined above the hospice continues to explore other sources of income as part of its strategic objectives.

Plans for future periods

The hospice launched a new organisational strategy in 2023 and over the coming 12 months will be working towards achieving its objectives, to:

- Secure the continuity of the Prospect Hospice Charity for our community for generations to come;
- Deliver bespoke specialist care that supports dignity and choice;
- Use our expertise to influence the delivery of excellence in end of life care; and
- Take pride in being a great place to work and thrive.

Some key areas of focus over the next 12 months include:

Care and support

Despite our financial challenges, the hospice has planned to continue providing all of its specialist care over the next 12 months and will continue to seek opportunities for funding to support our much needed care for patients and those important to them. We will continue to adapt and innovate through our various collaboration projects and programmes, including:

- **Frailty Project** - To continue to implement the project objectives, evaluate the impact and evaluate the effectiveness of our role and making recommendations for a model going forward.
- **MND Co-ordinator Role for Swindon** - Continue to implement the objectives and demonstrate quality improvements in this role working across Swindon.
- **Dementia** - Establish an invigorated working party and work collaboratively with external partners to improve palliative and end of life care for people with dementia and their families.
- **Advancing in Nursing Practice** - To develop a programme of the development for registered nurses to enhance knowledge, skills and confidence in palliative and end of life care.
- **Spiritual care** - Thanks to a very generous donation from a family whose loved one received our care, we have been able to appoint a highly experienced Spiritual Care Lead to oversee our spiritual care provision for patients, families and staff.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

- **Working with and through others** - The hospice is part of a consortium of local health and social care providers seeking to transform how community services are sustainably delivered across the BaNES region.

People

As outlined in our key achievements for the year our people are at the heart of our Organisational Strategy and over the next 12 months we will be continuing to grow and develop our own staff and volunteers and at the same time aiming to increase our reach with our external education programmes. Our key development programmes for 24/25 include:

- Retail Development Programme – a bespoke internally designed education programme for our retail colleagues;
- A series of business breakfasts for local community and business organisations; and
- Offering our specialist Bluebell ASPIRE education programme to other healthcare professionals which will also raise vital funds to further the hospice work.

Financial sustainability

Financial sustainability is the highest priority in the coming year, as the gap between income and operating expenditure has not improved over the last 12 months. We are pleased to have recruited a new Director of Income Generation in February 2024 to spearhead our income growth plans and will be creating a new 5 year income generation strategy.

Whilst there appears to be some easing of the rate at which costs are rising as the rate of inflation falls, there are still significant cost pressures to our cost base. Therefore we will continue to review how our care is provided to ensure it is affordable and sustainable. The hospice will continue to work with other local health and social care organisations to identify opportunities to create efficiencies through more collaborative working.

As outlined in the highlights above, the Trustees have planned for a budget deficit of £1m in 24/25 financial year, whilst working through the long term plans to achieve financial sustainability.

Embracing technology

Having invested in our technology in 23/24 by replacing some of our out of date legacy systems, the hospice will be developing a new IT/Digital strategy in 24/25 as an enabler to driving smarter working across the hospice and to provide more real time information that we can use to improve our care services and our interactions with our supporters.

Environmental impact

In the next 12 months we will be continuing the work started in 23/24 to become a more environmentally sustainable organisation. We will complete the work of replacing all of our lighting within the hospice and our retail shops with LED lighting. We will also start the longer term planning to find more energy efficient solutions for the hospice.

Financial review

a. GOING CONCERN

The trustees recognise that going concern continues to be a material uncertainty for the hospice over the longer term as it continues to navigate the path back to a recurring state of financial sustainability, one of the key objectives of the current hospice 5 year strategy which commenced in 23/24.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

The trustees are fully cognisant of their responsibility for the financial stewardship of the hospice and will continue to review this throughout the 24/25 financial year.

Having taking into account the financial results for 23/24 together with the budget set for 24/25, the trustees are satisfied that the charity is able to continue as a going concern and the accounts have been prepared on this basis.

b. PRINCIPAL RISK AND UNCERTAINTIES

The principal risks and uncertainties identified by the trustees are:

Financial sustainability

As outlined above the rate at which operating costs are growing are not currently being matched by the same rate of income growth. The hospice's retained reserves cannot continue to fund the gap between annual operating costs and income indefinitely. The hospice is exploring a number of avenues and opportunities to bridge this gap and create more sustainable income sources as well as continually reviewing its operating cost base.

Workforce planning

We have identified a key risk relating to our future workforce. Like many hospices we are facing the challenge of an ageing workforce that will, if not acted on create issues for the hospice in the longer term. Therefore during 24/25 a specific plan of action and associated timeline will be created as part of the current review of the 5 year operational strategy and aligned to the 5 year service plan.

Continuity of service provision

As a direct consequence of our financial challenges the hospice can only provide six inpatient beds in our IPU, despite demand being in the region of ten/twelve beds. Also we are currently unable to provide a range of much needed Day Therapy services. It is our ambition to be able to offer these services but until we can achieve a more stable financial position we cannot currently meet the level of the demand there is in the community for our much needed care.

c. FINANCIAL OVERVIEW

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

Incoming resources

As set out on page 22, total incoming resources, including income from charitable activities, was £7,427k for the year (£8,162k in 22/23).

Resources expended

Prospect Hospice's expenditure on a recurring basis (set aside) to provide care and support for patients, families and carers was £5,537k, an increase of £654k over the previous year. Expenditure in generating voluntary income was up on the previous year as a direct consequence of the increased income.

d. RESERVES POLICY

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

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

As outlined in the financial statements as at 31 March 2024 general reserves were £5,323k, a decrease of £1,066k during the year. Of this total, £1,194k relates to unrestricted fixed assets and £452k in investment land. The remaining balance of £3,677k represents approximately 5.2 months of future operating expenditure. The reserves policy also allows for the designation of funds at the trustees discretion. As at the 31 March 2024 designated funds were at £87k.

e. MATERIAL INVESTMENTS POLICY

The trustees have taken note of the guidance given by the Charity Commission in their booklets "Charities' Reserves (CC19)" and "Trustee Act 2000". As at 31 March 2024 the investment portfolio had a market value of £2.9m (2023: £3.8m). The investment strategy is set out below:

- The hospice seeks to produce the best financial return on investments within an acceptable level of risk;
- The hospice adopts a total return approach to investment for its general fund portfolio, generating an investment return from income and capital gains or losses. It is expected that if in any one year the total return is insufficient to meet the budgeted expenditure, in the long term the real value of the fund will still be maintained in accordance with the investment objective above;
- The investment objective is to generate a total return of inflation plus 4% per annum over the longer term, after expenses. The hospice does not set a specific target income level. Income from the long-term general fund will be used to fund the activities of the hospice. An expected level of income will be agreed with the investment managers on an annual basis to enable effective budgeting;

Post year end, following a review by the hospice's specialist investment advisors, and in light of the current financial pressures, the trustees approved the recommendation to remove the hospice's exposure to stock market risk and move all invested funds to a money market deposit account held with CCLA.

Additionally £452k is held as investment land as at 31 March 2024, this valuation is unchanged from March 2023.

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

Structure, governance and management

a. CONSTITUTION

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

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

The charity has a wholly owned trading subsidiary, Prospect Hospice Trading Limited, which is a retailer of new goods and operates the café within the Hospice. The subsidiary company produced a trading profit of £30.2k in the year.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

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

The charity's board of trustees regularly reviews the mix of its skills, and if any needs are identified then applicants with relevant skills and backgrounds who are eligible to meet the required time commitment are sought and recruited. This year, the board has anticipated forthcoming gaps in its skills mix that would arise through the rotation and retirement of longstanding trustees and has already recruited trustees to fill these skills and knowledge gaps.

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

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

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

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

c. PAY POLICY FOR STAFF

In addition to its statutory obligation to implement the national living wage and national minimum wage rates, the hospice implemented a new Pay Framework in 2021 following consultation with Trustees. The principles underlying the pay framework are:

- Staff pay should be based around the median benchmarked market rates (+/- 5%);
- Any cost of living increase awarded will be applied to all grades and roles; and
- A commitment to align pay to Agenda for Change.

The pay framework applies to all employees except for Doctors and Consultants where GMC rates apply.

The Trustees review pay annually ahead of the new financial year, with a view to making a decision on pay and ordinarily implementing any pay award from 1st April. In April 2023 the Trustees awarded a 5% cost of living increase.

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

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

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

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

e. RISK MANAGEMENT

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

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

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

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

The Finance, Audit and Risk Committee reviews all aspects of risk and reports to the board of trustees each quarter.

f. FUNDRAISING

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

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

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

To help secure further members of our lottery, we also contracted a professional canvassing agency which provided their employees for door to door and retail canvassing. We did not employ any telephone marketing agencies to canvas for new members.

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

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

We have a supporter promise on our website.

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

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

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

We have a complaints procedure and all complaints are recorded. In 23/24 we received 1 complaint out of a total of 26,627 donations made by individuals and organisations that supported Prospect Hospice during the year.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

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

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

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

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

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

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

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

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

Disclosure of information to auditor

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

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

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

Auditors

The auditors, Godfrey Wilson, have indicated their willingness to continue in office. The trustees will propose a motion re-appointing the auditors at the board meeting on the 13 June 2024.

This report, including the strategic report, was approved by the board of trustees on 13 June 2024 and signed on their behalf by:

Nigel Sully

Nigel Sully - Chair

Independent auditors' report

To the members of

Prospect Hospice Limited

Opinion

We have audited the financial statements of Prospect Hospice Limited (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, consolidated and parent balance sheets, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Independent auditors' report

To the members of

Prospect Hospice Limited

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the trustees

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

Our responsibilities for the audit of the financial statements

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

Independent auditors' report

To the members of

Prospect Hospice Limited

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

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

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

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

(3) We inspected the minutes of trustee meetings.

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

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

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

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

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

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

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

Independent auditors' report

To the members of

Prospect Hospice Limited

Use of our report

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

Alison Godfrey

Date: 17 June 2024

**Alison Godfrey FCA
(Senior Statutory Auditor)**

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Prospect Hospice Limited

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

For the year ended 31 March 2024

	Note	Restricted £000	Unrestricted £000	2024 Total £000	2023 Total £000
Income from:					
Donations and legacies	3	148	2,231	2,379	2,712
Charitable activities	4	1,933	69	2,002	2,549
Other trading activities	5	-	2,969	2,969	2,869
Investments	6	-	77	77	16
Other income		-	-	-	16
Total income		2,081	5,346	7,427	8,162
Expenditure on:					
Raising funds:					
Voluntary income		-	611	611	576
Fundraising trading		-	2,520	2,520	2,099
Charitable activities		2,115	3,422	5,537	4,883
Total expenditure	8	2,115	6,553	8,668	7,558
Net income / (expenditure) before investment gains		(34)	(1,207)	(1,241)	604
Net gains / (losses) on investments		-	128	128	(76)
Net movement in funds	9	(34)	(1,079)	(1,113)	528
Reconciliation of funds:					
Total funds brought forward		1,188	6,489	7,677	7,149
Total funds carried forward		1,154	5,410	6,564	7,677

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

Prospect Hospice Limited

Consolidated balance sheets

As at 31 March 2024

	Note	The group 2024 £000	The group 2023 £000	The charity 2024 £000	The charity 2023 £000
Fixed assets					
Tangible assets	12	2,286	2,296	2,286	2,296
Investment property	13	452	452	452	452
Investments	14, 15, 16	2,886	3,827	2,886	3,827
		<u>5,624</u>	<u>6,575</u>	<u>5,624</u>	<u>6,575</u>
Current assets					
Stocks	17	63	55	55	51
Debtors	18	686	457	700	473
Cash at bank and in hand		920	2,564	906	2,550
		<u>1,669</u>	<u>3,076</u>	<u>1,661</u>	<u>3,074</u>
Liabilities					
Creditors: amounts falling due within 1 year	19	729	974	721	972
Net current assets		940	2,102	940	2,102
Creditors: amounts falling due after 1 year	20	-	1,000	-	1,000
Net assets	24	<u>6,564</u>	<u>7,677</u>	<u>6,564</u>	<u>7,677</u>
Funds					
Restricted funds	25	1,154	1,188	1,154	1,188
Unrestricted funds:					
Designated funds		87	100	87	100
General funds		5,323	6,389	5,323	6,389
Total charity funds		<u>6,564</u>	<u>7,677</u>	<u>6,564</u>	<u>7,677</u>

Approved by the trustees on 13 June 2024 and signed on their behalf by

Nigel Sully

Sadie Panter

Nigel Sully - Chair

Sadie Panter - Trustee

Prospect Hospice Limited

Consolidated statement of cash flows

For the year ended 31 March 2024

	2024	2023
	£000	£000
Net cash provided by / (used in) operating activities		
Net movement in funds	(1,113)	528
<i>Adjustments for:</i>		
Depreciation charges	138	115
(Gains) / losses on investments	(128)	76
Dividends, interest and rents from investments	(77)	(16)
Loss / (profit) on the sale of fixed assets	3	(17)
Impairment of fixed assets	3	-
Decrease / (increase) in stock	(8)	(11)
Decrease / (increase) in debtors	(229)	1,043
Increase / (decrease) in creditors	55	(441)
	<u>(1,356)</u>	<u>1,277</u>
Net cash provided by / (used in) operating activities		
Cash flows from investing activities:		
Dividends, interest and rents from investments	77	16
Disposal of fixed asset investments	2,596	-
Purchase of tangible fixed assets	(134)	(29)
Proceeds from the sale of property, plant and equipment	-	24
Movement in cash held by investment manager	(1,527)	-
	<u>1,012</u>	<u>11</u>
Net cash provided by / (used in) investing activities		
Cash flows from financing activities:		
Repayment of borrowing	(1,300)	(200)
	<u>(1,300)</u>	<u>(200)</u>
Net cash provided in / (used in) financing activities		
Increase / (decrease) in cash and cash equivalents in the year	(1,644)	1,088
Cash and cash equivalents at the beginning of the year	<u>2,564</u>	<u>1,476</u>
Cash and cash equivalents at the end of the year	<u>920</u>	<u>2,564</u>

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies

a) Basis of preparation

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

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

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

b) Group accounts

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

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. The trustees have taken into account the key financial risks it continues to face as the rate at which operating costs have increased is not matched by a similar increase in income. The organisational strategy is being reviewed and updated with financial sustainability as a key focus. A new income generation strategy is currently being developed as part of this review, together with a comprehensive review of service provision. The updated plans will be considered by the Board in September 2024.

d) Income

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

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies (continued)

d) Income (continued)

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

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

e) Donated services and facilities

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

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

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

f) Interest receivable

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

g) Funds accounting

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies (continued)

h) Expenditure and irrecoverable VAT

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

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

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

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

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

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

i) Allocation of support costs

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

j) Tangible fixed assets

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

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

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

k) Investment property

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies (continued)

l) Investments

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

m) Stock

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

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors

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

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Pension costs

The charity participates in an NHS defined benefit scheme, and a Royal London (formerly Scottish Life) defined contribution scheme. Under the NHS Pension Scheme Direction Order (1996) only qualifying employees are permitted to join the NHS pension scheme. There are no further liabilities other than that already recognised in the SOFA.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies (continued)

s) Accounting estimates and judgements

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

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

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

2. Prior period comparatives

	Restricted £000	Unrestricted £000	2023 Total £000
Income from:			
Donations and legacies	230	2,482	2,712
Charitable activities	2,502	47	2,549
Other trading activities	-	2,869	2,869
Investments	-	16	16
Other income	-	16	16
Total income	2,732	5,430	8,162
Expenditure on:			
Raising funds:			
Voluntary income	-	576	576
Fundraising trading	-	2,099	2,099
Charitable activities	2,830	2,053	4,883
Total expenditure	2,830	4,728	7,558
Net expenditure before investment gains	(98)	702	604
Net (losses) on investments	-	(76)	(76)
Net movement in funds	(98)	626	528

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

3. Income from donations and legacies

	Restricted £000	Unrestricted £000	2024 Total £000
Donations	-	533	533
Prospect fundraising events	32	168	200
Community fundraising	-	313	313
Boxes income	-	44	44
Legacies	-	819	819
Trusts income	83	106	189
In memorium	33	248	281
Total donations and legacies	148	2,231	2,379

Prior period comparative

	Restricted £000	Unrestricted £000	2023 Total £000
Donations	-	492	492
Prospect fundraising events	32	119	151
Community fundraising	-	383	383
Boxes income	-	45	45
Legacies	-	1,136	1,136
Trusts income	198	52	250
In memorium	-	255	255
Total donations and legacies	230	2,482	2,712

4. Income from charitable activities

	Restricted £000	Unrestricted £000	2024 Total £000
Swindon CCG	1,383	-	1,383
Wiltshire CCG	322	-	322
Great Western Hospitals NHS Foundations Trust	-	15	15
Health England (GPST1 doctors funding)	205	-	205
Education & Training Income	4	24	28
Other	19	30	49
Total charitable activities	1,933	69	2,002

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

4. Income from charitable activities (continued)

Prior period comparative

	Restricted £000	Unrestricted £000	2023 Total £000
COVID funding	66	9	75
Swindon CCG	1,787	-	1,787
Wiltshire CCG	311	-	311
Great Western Hospitals NHS Foundations Trust	5	-	5
Health England (GPST1 doctors funding)	177	-	177
BSW Alliance	118	-	118
Health Education England	27	-	27
Other	11	38	49
Total charitable activities	2,502	47	2,549

5. Income from other trading activities

	2024 £000	2023 £000
Shops and retail	2,189	2,043
Lottery income	697	749
Catering income	83	34
Ball tickets and raffle	-	43
Total other trading activities	2,969	2,869

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

6. Investment income

	2024 £000	2023 £000
Income from cash held at UK banks	50	15
Income from investment portfolio	27	1
Total investment income	77	16

All investment income in the current and prior year was unrestricted.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

7. Government grants

The charitable company receives funding from the government in the form of a standard NHS contract (short form) from the local Clinical Commissioning Group (Swindon and Wiltshire). In the prior year some Covid funding was also received from NHS England via Hospice UK. Details of the amounts received are in note 4 to the accounts. There are no unfulfilled conditions or contingencies attaching to these funds.

8. Expenditure

	Direct costs £000	Support costs £000	2024 Total £000
Raising funds			
Costs of generating voluntary income	451	160	611
Fundraising trading			
Costs of goods sold in shops and café	56	18	74
Lottery prizes and overheads	152	9	161
Retail costs	1,678	607	2,285
	1,886	634	2,520
Charitable activities			
In-patient unit	1,794	778	2,572
Community care	1,083	517	1,600
Influencing and education	718	546	1,264
Governance costs	101	-	101
	3,696	1,841	5,537
Total expenditure	6,033	2,635	8,668

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

8. Expenditure (continued)

Prior year comparative

	Direct costs £000	Support costs £000	2023 Total £000
Raising funds			
Costs of generating voluntary income	<u>444</u>	<u>132</u>	<u>576</u>
Fundraising trading			
Costs of goods sold in shops and café	43	-	43
Lottery prizes and overheads	210	2	212
Retail costs	<u>1,343</u>	<u>501</u>	<u>1,844</u>
	<u>1,596</u>	<u>503</u>	<u>2,099</u>
Charitable activities			
In-patient unit	1,507	744	2,251
Community care	931	527	1,458
Influencing and education	628	444	1,072
Governance costs	<u>102</u>	<u>-</u>	<u>102</u>
	<u>3,168</u>	<u>1,715</u>	<u>4,883</u>
Total expenditure	<u><u>5,208</u></u>	<u><u>2,350</u></u>	<u><u>7,558</u></u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

9. Net movement in funds

This is stated after charging:

	2024	2023
	£000	£000
Depreciation	138	115
Operating lease payments	353	274
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit for the group (excluding VAT)	15	12
	<u>15</u>	<u>12</u>

10. Staff costs and numbers

Staff costs were as follows:

	2024	2023
	£000	£000
Salaries and wages	5,267	4,414
Social security costs	494	428
Pension costs	400	321
	<u>6,161</u>	<u>5,163</u>

Termination and redundancy payments totalling £25k were paid during the year (2023: £nil).

	2024	2023
	No.	No.
Average number of employees	<u>197</u>	<u>190</u>

Full time equivalents:

	2024	2023
	No.	No.
Medical	5	5
In-patient nurses	26	23
Community care	34	32
Influencing and education	2	1
Catering and housekeeping	5	4
Income generation	47	42
Facilities and reception	2	2
Admin and support	21	17
Management	7	7
	<u>149</u>	<u>133</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

10. Staff costs and numbers (continued)

During the year, bank staff employed by the hospice are used to cover short term absences, vacancies and training. When bank staff are not available external agency staff are then used. Total payments for bank staff made through the payroll in the year was £153k (2023: £195k).

At 31 March 2024 there were 38 members of the NHS pension scheme (2023: 33), and 136 members of the Royal London Group Personal pension plan (2023: 117).

The number of higher paid employees was:	2024 No.	2023 No.
£70,001 - £80,000	1	2
£80,001 - £90,000	4	2
£100,001 - £110,000	-	1
£110,001 - £120,000	-	-
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-
	<u>6</u>	<u>6</u>

The total emoluments inclusive of all employer related costs and termination, redundancy and other restructuring fixed term contractual payments paid to key management personnel (5.4 FTE) for the year was £693k (2023: 6.0 FTE £670k), of which, pension contributions amounted to £36k (2023: £30k).

11. Taxation

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

12. Tangible fixed assets: group and charity

	Hospice land and buildings £000	Leasehold improvements £000	Equipment for care and support £000	Other equipment and vehicles £000	Total £000
Cost					
At 1 April 2023	4,073	217	457	912	5,659
Additions	-	-	11	123	134
Disposals / reclassifications	-	-	-	(4)	(4)
Impairment	(3)	-	-	-	(3)
Reclassifications	(58)	(2)	-	60	-
At 31 March 2024	4,012	215	468	1,091	5,786
Depreciation					
At 1 April 2023	1,848	197	427	891	3,363
Charge for the year	96	4	15	23	138
Disposals	-	-	-	(1)	(1)
Reclassifications	(31)	(1)	-	32	-
At 31 March 2024	1,913	200	442	945	3,500
Net book value					
At 31 March 2024	2,099	15	26	146	2,286
At 31 March 2023	2,225	20	30	21	2,296

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

13. Investment property: group and charity

	2024 £000	2023 £000
Market value at 1 April 2023	452	452
Unrealised gain on revaluation	-	-
Market value at 31 March 2024	452	452
Historic cost	153	153

The investment land shown relates to a share of land that was given in a legacy. The ownership of the land has been transferred into the names of the three beneficiaries of which Prospect Hospice is one. The latest desktop valuation of the land was carried out on 31 March 2024 by Chesters Harcourt. This concluded there was no material change in valuation on the proportion of the developable land. The remaining proportion of land is held at arable value. The trustees consider this a fair estimate of land value as at 31 March 2024.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

14. Investments: group and charity

	2024	2023
	£000	£000
Market value at 1 April 2023	3,777	3,853
Disposal proceeds	(2,596)	-
Realised and unrealised gains / (losses)	128	(76)
	<hr/>	<hr/>
Market value at 31 March 2024	1,309	3,777
	<hr/>	<hr/>
Cash held pending reinvestment	1,577	50
	<hr/>	<hr/>
Total investments	2,886	3,827
	<hr/> <hr/>	<hr/> <hr/>
Investments comprise:		
Listed investments	1,309	3,777
Cash and cash equivalents	1,577	50
	<hr/>	<hr/>
Total investments	2,886	3,827
	<hr/> <hr/>	<hr/> <hr/>

All listed investments are held in Vanguard 60% Equity fund (until July 2023) and CCLA Common Investment Fund (for the full period).

The charity also holds a £2 investment in a trading subsidiary Prospect Hospice Trading Limited, as detailed in note 15.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

15. Subsidiary undertakings

Prospect Hospice Trading Limited

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

	2024 £000	2023 £000
Turnover	129	79
Cost of sales	<u>(56)</u>	<u>(41)</u>
Gross profit	73	38
Administrative expenses	<u>(43)</u>	<u>(23)</u>
Profit / (loss) on ordinary activities before taxation	30	15
Tax on profit / (loss) on ordinary activities	<u>-</u>	<u>-</u>
Profit for the financial year after taxation	<u>30</u>	<u>15</u>
<i>Changes in equity</i>		
Total retained losses brought forward	-	-
Total comprehensive income for the year	30	15
Gift aid distribution to parent charity	<u>(30)</u>	<u>(15)</u>
Total retained profit / (losses) carried forward	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:		
	2024 £000	2023 £000
Assets	37	27
Liabilities	<u>(37)</u>	<u>(27)</u>
Funds	<u>-</u>	<u>-</u>

16. Parent charity

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

	2024 £000	2023 £000
Gross income	7,368	8,119
Results for the year	<u>(1,113)</u>	<u>529</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

17. Stock

	The group		The charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Goods for resale	<u>63</u>	<u>55</u>	<u>55</u>	<u>51</u>

18. Debtors

	The group		The charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade debtors	270	142	269	142
Amounts owed by group undertakings	-	-	29	25
Tax recoverable	63	65	49	56
Prepayments and accrued income	<u>353</u>	<u>250</u>	<u>353</u>	<u>250</u>
	<u>686</u>	<u>457</u>	<u>700</u>	<u>473</u>

19. Creditors: amounts due within 1 year

	The group		The charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade creditors	110	100	106	100
Accruals	219	233	216	231
Other taxation and social security	128	111	128	111
Other creditors	57	44	57	44
Deferred income (see note 21)	215	186	214	186
Loans	<u>-</u>	<u>300</u>	<u>-</u>	<u>300</u>
	<u>729</u>	<u>974</u>	<u>721</u>	<u>972</u>

20. Creditors: amounts due after 1 year

	The group		The charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Loans	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>

Prospect Hospice had a loan from HSBC under the CBILS scheme (Coronavirus Business Interruption Loan Scheme). The loan term was 6 years with interest being payable from month 13 at 3.99% over the Bank of England Base rate. The bank held a fixed and floating charge over the hospice assets and a legal charge over the value of the hospice land based on the historical cost of the land as at the balance sheet date 31 March 2021. In August 2023 the CBILS loan outstanding balance at end of March 2023 of £1m was repaid in full in light of the steady increase in bank interest rates. The hospice does not have any other long term loans.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

21. Deferred income

	The group		The charity	
	2024 £000	2023 £000	2024 £000	2023 £000
At 1 April 2023	186	496	186	496
Deferred during the year	215	186	214	186
Released during the year	<u>(186)</u>	<u>(496)</u>	<u>(186)</u>	<u>(496)</u>
At 31 March 2024	<u>215</u>	<u>186</u>	<u>214</u>	<u>186</u>

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

22. Analysis of changes in net debt

	At 1 April	Cash flows	At 31 March
	2023 £000		2024 £000
Cash	<u>2,564</u>	<u>(1,644)</u>	<u>920</u>
	2,564	(1,644)	920
Loans falling due within 1 year	(300)	300	-
Loans falling due after 1 year	<u>(1,000)</u>	<u>1,000</u>	<u>-</u>
Total	<u>1,264</u>	<u>(344)</u>	<u>920</u>

23. Financial instruments measured at fair value

	The group		The charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Financial assets measured at fair value	<u>3,338</u>	<u>4,279</u>	<u>3,338</u>	<u>4,279</u>

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

24. Analysis of group net assets between funds

	Restricted funds £000	Designated funds £000	General funds £000	Total funds £000
Tangible fixed assets	1,092	-	1,194	2,286
Investment property	-	-	452	452
Fixed asset investments	-	-	2,886	2,886
Current assets	62	87	1,520	1,669
Current liabilities	-	-	(729)	(729)
Net assets at 31 March 2024	1,154	87	5,323	6,564

	Restricted funds £000	Designated funds £000	General funds £000	Total funds £000
Prior year comparative				
Tangible fixed assets	1,151	-	1,145	2,296
Investment property	-	-	452	452
Fixed asset investments	-	-	3,827	3,827
Current assets	37	100	2,939	3,076
Current liabilities	-	-	(974)	(974)
Non current liabilities	-	-	(1,000)	(1,000)
Net assets at 31 March 2023	1,188	100	6,389	7,677

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

25. Movements in funds

	At 1 April 2023 £000	Income £000	Expenditure £000	Gains / (losses) £000	Transfers between funds £000	At 31 March 2024 £000
Restricted funds						
Building funds	1,146	-	(54)	-	-	1,092
Costs of equipment	5	-	(5)	-	-	-
Running costs	37	2,081	(2,056)	-	-	62
Total restricted funds	1,188	2,081	(2,115)	-	-	1,154
Unrestricted funds						
Designated funds	100	-	(13)	-	-	87
General funds	6,389	5,346	(6,540)	128	-	5,323
Total unrestricted funds	6,489	5,346	(6,553)	128	-	5,410
Total funds	7,677	7,427	(8,668)	128	-	6,564

Restricted funds

Building funds

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

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

Unrestricted funds

Designated funds

This relates to a potential liability arising from additional obligations around pension contributions. Indications are that the estimated value of these potential payments are in the region of £100k. Costs incurred to date against this fund amount to £13k, leaving a balance of £87k at 31 March 2024.

General funds

It is the policy of Prospect Hospice to aim to keep up to 6 months of future operating costs as free reserves and as an absolute minimum to keep a level of reserves sufficient to meet its liabilities in the event of a winding up of the organisation. As at the end of March 2024 this has been estimated to be in region of £1.5m. If the level of free reserves fall below the policy level the trustees will review all reserves and their purpose and may choose to transfer previously designated reserves into free reserves to enable them to utilise where most needed for the provision of the hospice's charitable aims. The year end figure, excluding the balance held in fixed assets and investment land, represents approximately 5.2 months of future operating costs.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

25. Movements in funds (continued)

Prior year comparative

	At 1 April 2022 £000	Income £000	Expenditure £000	Gains / (losses) £000	Transfers between funds £000	At 31 March 2023 £000
Restricted funds						
Building funds	1,200	-	(54)	-	-	1,146
Costs of equipment	6	-	(1)	-	-	5
Running costs	80	2,732	(2,775)	-	-	37
Total restricted funds	1,286	2,732	(2,830)	-		1,188
Unrestricted funds						
Designated funds	-	-	-	-	100	100
General funds	5,863	5,430	(4,728)	(76)	(100)	6,389
Total unrestricted funds	5,863	5,430	(4,728)	(76)		6,489
Total funds	7,149	8,162	(7,558)	(76)		7,677

26. Pension commitments

The charity has active members in an NHS defined benefit scheme and a Royal London (formerly Scottish Life Group) Personal Pension Plan (RL). Since 1996, Prospect have also been subject to The Prospect Foundation Ltd (Superannuation) Direction 1996 ("the Direction Order") from the NHS which permits qualifying employees to join the NHS pension scheme. All other employees are entitled to join the RL plan. The pension charge represents contributions payable by the charity to these funds.

RL Scheme

The assets of the RL scheme are held separately from those of the charity in a separately administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £195k (2023: £154k).

NHS Scheme

The NHS scheme is a multi-employer defined benefit pension scheme. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reliable basis, the scheme is treated by the charity as if it were a defined benefit contribution scheme, in accordance with FRS 102. The pension cost charge represents contributions payable by the charity to the fund and amounted to £191k (2023: £155k).

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

27. Operating lease commitments

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

	The group		The charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Amount falling due:				
Within 1 year	262	224	262	224
Within 1 - 5 years	293	223	293	223
Over 5 years	4	6	4	6
	<u>559</u>	<u>453</u>	<u>559</u>	<u>453</u>

28. Contingent assets

There are some legacies which have been notified to the charity at 31 March 2024 for which the amount receivable cannot be ascertained. These financial statements include payments received on account but not any estimates for future amounts receivable. Indications are that the estimated value of these potential legacies is in the region of £275k (2023: £495k).

29. Related party transactions

No members of the board of trustees received any remuneration for their services or received any reimbursement of expenses (2023: nil).

Beyond the transactions with its subsidiary, there was one further related party transaction during the year. Trustee Joseph Lewis is a partner at law firm Gardner Leader LLP. Gardner Leader LLP provided legal services related to the commercialising of catering for £825 + VAT. There were no such transactions in the prior year.

PROSPECT HOSPICE LIMITED

England & Wales - Charity number 280093

Accounts

Company no. 01494909
Charity no. 280093

Prospect Hospice Limited
Report and Audited Financial Statements
31 March 2023

Prospect Hospice Limited

Reference and administrative details

For the year ended 31 March 2023

Company number	01494909
Charity number	280093
Registered office and operational address	Moormead Road Wroughton Swindon Wiltshire SN4 9BY
Patrons	Jonathan Wilkes Helen Browning Sarah Troughton
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Robin Bailey resigned 26 September 2022 Pradeep Bhardwaj Sheila Bryant Eleanor Butler Caroline Hallatt resigned 26 September 2022 Kevin Howard Helen Jones appointed 26 September 2022 Sarah Jones Joseph Lewis Julie Marshman appointed 26 September 2022 Jennifer Seavor resigned 26 September 2022 Penny Tidbury resigned 26 September 2022 Shelley Whitehead resigned 26 September 2022 Lindsay Whittam resigned 26 September 2022
Chief executive officer	Irene Watkins resigned 31 March 2023 Jeremy Lune appointed 1 May 2023
Senior leadership team	Helen Baxter Director of Finance Carolyn Bell Director of Patient Services Warren Finney Director of Community Development Jo Hollingsworth Director of People
Medical director	Sheila Popert
Bankers	HSBC plc Unit 6 The Lock Canal Walk Swindon SN1 1LD

Prospect Hospice Limited

Reference and administrative details

For the year ended 31 March 2023

Investment managers

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

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

Auditors

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2023

The trustees present their annual report together with the audited financial statements of Prospect Hospice Limited for the year 1 April 2022 to 31 March 2023. This report incorporates the strategic report as required by company law.

Objectives and activities

a. POLICIES AND OBJECTIVES

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

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

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

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

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

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2023

Highlights in the year

2022 saw the emergence of a more 'normal' hospice following the pandemic. Our mass participation events started to take place once again which meant we were better able to raise the vital funding needed to pay for the running of our much needed services.

While fundraising activities were able to return, the hospice's financial position remained a concern as we didn't know how the public would respond. 75% of our income is generated by our community but many had struggled during the pandemic and were now faced with a cost of living crisis. While we knew they wanted to support us, we also knew many simply wouldn't be able to.

However, the community we serve is incredible and this was reflected in the support they gave us when we increased the price of our lottery – something we had not done since its inception over 20 years ago. While we did naturally see some people leave our lottery, many stayed with us and helped us to double the annual income of our lottery to over £750k.

Volunteers also returned to many of the positions that they'd been unable to carry out and have been delighted to return to their roles to support the hospice, including in our Heart of the Hospice café which reopened to the public after being closed for over 900 days.

Clinically, the pandemic continued to impact our patient care as many of the restrictions remained in place for clinical settings. Nevertheless, we were able to gather groups of our patients and carers together for support sessions again and we were able to provide more care in homes and out in our community. Our control measures mean that we have not had any Covid-19 outbreaks in our care settings.

To improve patient care and link with other local care providers, we have implemented SystmOne to hold integrated patient records. This has significantly improved access to the most current and accurate patient information, freeing our nursing staff to focus on what they do best: care for patients.

In 2022 we worked with our staff to refresh the strategic direction for the charity. Using their knowledge and expertise to define how we can better support our patients and their families over the next five years. With this we are focused on engaging our community early in the conversations to destigmatise death and dying.

The new vision of the hospice focuses on creating a community where death is no longer a taboo; where everyone lives and dies well. This is supported by our mission to work with and through others, using our skills and expertise so that people have a choice and support at the end of their life. To achieve this, we work with our community to ensure that our work remains relevant to their needs.

In line with this new strategy, we also unveiled a new brand for the hospice; elevating the charity to reflect the outstanding professionalism of our care. The new look and feel reflects the evolution of our work, combining elements that the hospice is well known for to create a brand that reflects the charity now and where we aspire to be in the future.

At the end of March 2023, we said goodbye to our chief executive, Irene Watkins. Irene led the hospice team through our most challenging times and to achieve an outstanding CQC assessment.

We truly value her contribution and wish her well. Her replacement, Jeremy Lune, will join the charity in May 2023.

Prospect Hospice Limited

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Other notable achievements in the year include:

- Developing our exceptional internal catering capability to provide a 'food to order' service for our community that provides additional income;
- Replacing our aging and costly diesel vans with green electric vans;
- Expanding our education team to allow us to expand our training offering for staff and other healthcare professionals with a potential for further income; and
- Growing our leading research in the use of virtual reality in pain relief.

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

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

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

Achievements and performance

While we expected it to take at least 12 to 18 months to financially recover from the pandemic, this has been exacerbated by the cost of living crisis. While the hospice income has improved thanks to all our shops being open and events taking place, we have again had to prioritise where our income is best used.

We managed to deliver our patients services this year thanks to the generosity of our community, however a large portion of this came from over £1m donated via gifts in wills to the charity – income we can't always guarantee. Over the last few years, we've been unable to rely solely on our fundraising and retail generation activities and gifts in wills have often filled the income gap. While we plan to actively promote how much legacy does to help care for local people (around one in five patients at the hospice is cared for thanks to a legacy), we recognise that this is a very volatile income stream. We know our future is dependent upon growing our sustainable income streams.

Supporting patients and families

We are focussed on ensuring that our patients continue to receive outstanding care. While some Covid-19 restrictions were still in place for healthcare workers, our staff are now well versed in their implementation. They have taken advantage where they can and have ensured that our patient care has never been compromised. Thanks to the diligence of our staff, we have had no Covid incidents.

During the year, there were 1,497 new patients registered with the hospice. 208 of these were admitted to our inpatient unit (IPU) to help care for those with more complex needs. The rest were cared for in the community, mainly in their own homes. Each month, on average, 690 patients received support from the hospice in some way. Overall, there were 1,523 patient contacts.

With the support of NHS funding, we have extended our Single Point of Contact (SPoC) service to 7 day working. This service has demonstrated improved collaboration between service providers, helping coordinate care provision to the benefit of patients whilst relieving the load on staff.

Prospect Hospice Limited

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We have also introduced new posts in the clinical team. Specifically, a quality lead with responsibility for leading and developing quality and audit across clinical services. This post is leading engagement with the Bath and North East Somerset, Swindon and Wiltshire Integrated Care Board (BSW) quality improvement network. They will be rolling out a new model of quality improvement in line with the NHS ensuring we're all aligned and talking the same language. This role is a key part of ensuring we retain our 'Outstanding' status with CQC.

Other key achievements this year included:

- Presentations at Hospice UK conference demonstrating:
 - Our innovative work in neuro-respiratory therapy and frailty; and
 - The use of virtual reality to relieve pain.
- Stepped up beds to relieve wider pressures across the NHS;
- Introduced 'reflect and restore' sessions for staff as part of wider wellbeing support;
- Began hosting memory cafes in conjunction with Swindon Borough Council; and
- Developed new relationship with Treehouse to work with bereaved children.

What our patients and their loved ones say about Prospect Hospice

Kim

"We and the Prospect Hospice staff thought Pete [Kim's husband] would probably pass within a few days, but although he was semi-conscious, he was still with us the following Saturday. One of the brilliant things was that we could stay in one of the charity's lodges on site, so we were close by all the time. And they really didn't mind that there were a lot of us in Pete's room – they completely got how important family was to Pete".

"Every minute we were there, the staff went above and beyond for us and Pete. They always made sure he was clean and tidy, which was important to him. It was our grand-daughter's birthday while he was there, and they were perfectly happy with 11 visitors and a roomful of balloons".

"On the Tuesday, they offered to wheel his bed out into the garden, and a robin flew down and perched on the end of his bed. It felt magical – I've loved anything with a robin on it ever since. And Pete's present to me – our dog, Lexi – was allowed to visit him and curl up on his bed".

"One of the things I'll never forget is that a Prospect Hospice nurse offered to shave him after he had died. That meant so much to me. I knew that he wouldn't want to look anything but smart, even in death – and while she did that two robins flew down and watched".

"Pete dying was the worst thing that had ever happened to me, but Prospect Hospice made it the best it could be". As soon as Pete arrived at the hospice in the ambulance they said 'Don't worry, it's going to be all right' and they made it right".

"Until you've experienced Prospect Hospice – especially the little things that aren't medically related but really, really matter to you – you can't imagine how important they are. We are so lucky to have them in our area – not everywhere has a hospice, after all. They made us feel as if we were at home – it felt as if they wrapped their arms around the whole family and hugged us all. We can never thank them enough for that."

Rosina

"My anxiety levels were through the roof – I didn't sleep for a week and didn't go out of the house. I was so anxious, I couldn't even walk upstairs – I just sat in the chair, not wanting to move".

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“Then the Prospect Hospice nurse suggested virtual reality. I’d used a VR headset before, with my grandson, and when I put it on David Attenborough got me to breathe in and out slowly, and I could feel myself relaxing immediately. I was in a forest. Then he asked me to find things like birds and butterflies, then to pick up a stone and throw it into the river, and follow the hoops it makes in the water. It’s very relaxing“.

“It literally took just moments to get used to it – and once I removed the headset afterwards I was really settled and calmed down. It enabled me to walk upstairs for the first time in days. I used it twice a day at first, but after a month I only needed to use it once a day, and now I don’t need it at all, as I can go back into that place anytime I want. I can go into the forest with David Attenborough anytime I want, without a headset, it’s so stuck in my mind“.

“VR helped me to get to grips with the fact that I’ve got a serious illness, and the breathing techniques it gave me helped an awful lot. I think for anyone who suffers anxiety as I did, this is a fantastic way of coping and getting through it.”

Justin

“Prospect Hospice called us really early on, and until then we hadn’t realised that they offer such a range of extra care and support. Once they told us how they could help, including supporting the children, we felt we could relax a bit“.

“We told our children, eleven-year-old Martha and eight-year-old Gabriel that their mum [Amy] was ill, straight away, and it was so reassuring to have Dave there to talk to them too. He is a lovely man.”

“We knew a couple of people who had been cared for in the hospice in the past, and Amy was adamant that was where she wanted to spend her last days, but she also wanted to have Christmas 2021 at home, and she did.

“It was a difficult time but once she got to Prospect Hospice everything was so much easier. I could be there whenever I wanted to be – visiting time was totally unrestricted – and once Amy was on a syringe driver, so her pain and symptoms were under control, her whole demeanour changed and she became herself again.”

“The staff said ‘you know her best – if you notice any changes or anything different, tell us and we can deal with it’. So when I told them she seemed more forgetful, they took her off one of the drugs and she became much more like ‘Amy’ again, which helped us all. The communications were brilliant“.

“We have since found some lovely peace in Prospect Hospice’s garden – we’ve got a stone from the Bluebell Walk there, which helps us feel close to her.”

Investing in staff

We know our staff are vital to the running of the hospice. They work incredibly hard to raise funds, inspire volunteers and deliver care to our patients. We are also acutely aware that we need a whole team to be able to deliver our care. While our nurses may be the ‘face’ of the hospice, seen by many, without everyone, including our HR, finance, education and facilities teams and more, our outstanding care just wouldn’t be possible. We know how hard they’ve all worked to combat the challenges of the pandemic and the cost of living crisis, both personally and professionally. We are proud that they continue to deliver excellence across all their roles to ensure that our patients receive the care they need and deserve.

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It was therefore decided that we needed to reward staff, not only for their hard work during the last few years, but also to reflect the growing economic challenges that they were facing away from the hospice. It was unanimously agreed by the board that the staff should receive a pay increase. This was implemented in October 2022 for all staff in line with NHS baseline.

A staff survey carried out at the end of the year saw a 71% response rate with 100% of responders agreeing that if a friend or relative needed treatment, they would be happy with the standard of care provided by the hospice.

Further highlights from the survey include:

- 99% of staff feel happy when immersed in their work;
- 98% of staff find the work they do has meaning and purpose;
- 97% of employees agree that the care of patients/service users is the organisation's top priority;
- 93% would recommend Prospect Hospice as a place to work; and
- 92% of Prospect Hospice employees feel secure to raise concerns at work.

Continually investing in our staff is key. We are committed to development and training ensuring that staff are not only skilled to do their current job but are developing skills for the future. We are also investing in leadership development at every level with the introduction of bespoke leadership development programmes designed to further embed our culture and ASPIRE values and further develop compassionate leadership.

Making the hospice a great place to work and thrive is a key strategic objective of the next hospice strategy and the results of this recent survey show we're well on the way to achieving this.

Income generation

We entered this year with some trepidation as we didn't know how our community would respond to the cost of living crisis, however, while being conscious of this we had to take measures to secure the future of the hospice.

As already highlighted, this year, we made the decision to increase the price of our lottery from £1 to £1.50 per play and, as a result, have doubled the income from this to around £750k a year.

We have also worked hard with local businesses to secure partnerships that demonstrate good examples of corporate social responsibility. Arval UK has worked with us to provide electric vans for our retail team as well as a pool car for staff. They are also working with us to support our 2023 summer appeal. Imagine Cruising continues to be a big supporter of the hospice, donating our raffle prizes so all ticket sales can be redirected to patient care; they continue to support many of our events. Our focus is to build on these corporate relationships to ensure we continue to work together and grow our support from other local organisations.

Our retail team also performed exceptionally well over the last year bringing in £2m income from the sale of donated goods both in our shops and through our e-commerce platforms. Almost £47k of this was raised at new pop-up shops around the local area, including in the Swindon Designer Outlet – another corporate partner we have a growing relationship with. Furthermore, we were all delighted when our new Marlborough shop was voted one of the top 10 second-hand stores in the UK in the latest Country Life review during the summer of 2022.

Prospect Hospice Limited

Report of the trustees

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Volunteering

As volunteering opportunities returned after the pandemic, the hospice has received a steady stream of enquiries about joining our team. To generate these enquiries, we have re-established links with local community agencies who refer a diverse range of potential volunteers to us so we can match them to a role that suits their skills and preferences. Patient-facing roles remain very popular and we have delivered four cycles of our comprehensive inpatient volunteer training programme in the last year.

In the autumn we held our first volunteer conference for a number of years, with the support of Nationwide, who provided a venue and on-the-day support. Sixty volunteers attended and were keen to learn about the hospice's new strategy and to explore how their contribution fitted into the bigger picture. Feedback was overwhelmingly positive, with delegates keen to share their learning with their volunteer colleagues. We were also able to hold our first face to face long service awards ceremony in three years where we honoured thirteen volunteers who, between them, had contributed a total of 270 years' service to the charity.

Working with partner organisations, our volunteers are also supporting a regular Wroughton memory café, hosted by the hospice in conjunction with Swindon Borough Council. We are in the process of developing a series of volunteer-led bereavement help points with Carer Support Wiltshire.

Investing in new technology

Our move to SystmOne, which hosts our patient database, was completed this year and allows us to connect with other healthcare providers to give us a real time view of our patients' care. Compared to our previous software, SystmOne has the advantage of providing direct links to many GP surgeries in our area which is supporting more effective patient care and support because we can share patients' records. Staff have provided feedback to say this is having a positive effect on the way they manage a patient's care as we have immediate access to GP and healthcare records.

Over the last year we have worked with our patients to further the use of virtual reality headsets to help manage their pain and reduce their reliance on opioids. Patient feedback has been incredibly positive with many saying that they become immersed in a new world and forget about the pain while using it. They've also said that, after using it, they feel their anxiety and pain levels are much lower and they're able to use the techniques they've learnt to help even when they're not using the headset. Our medical director presented the findings from this innovative work at the Hospice UK conference in November 2022.

With the support of Nationwide, we also introduced TV screens into our shops at the end of this year and invested in software that would share information to these from a central location within our communications team. This will allow us to screen timely information to our customers demonstrating ways they can support us, thanking them for supporting us and sharing stories of those they help to support.

We are aware that our IT infrastructure is dated and inadequate to support the future of the organisation. We've been working across the organisation to understand our needs and intend to refresh our IT systems in line with those needs to ensure we have sustainable systems for the foreseeable future.

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For the year ended 31 March 2023

Environmental impact

At the hospice we recognise that, while we must be a financially sustainable organisation, we also have a part to play in reducing our waste and being more environmentally sustainable.

This year we invested in environmentally friendly electric vans to replace our costly diesel ones that deliver goods to our shops. While much of the work to secure a new partnership for these was completed in the previous year, the new branded vehicles hit the road in the first quarter of this year.

The zero emissions vehicles have been donated to the hospice by Arval UK and will help ensure our shop teams are more efficient as they will no longer need to stop to refuel and can charge up at the distribution centre overnight for the next day. While being more environmentally friendly, the new vans will also help us cut down on the cost of fuel, redirecting that spend to patient care.

We also began a trial of recycling hospice waste to ensure we were sending as little as possible to landfill and we've installed new printers that enable printing only when staff scan their ID card which is reducing the amount of paper we use.

Alongside the environmental benefits, reducing our energy bills is a key target of the hospice and, to aid this, work has begun in our shops to reducing our carbon footprint by replacing old and expensive lighting with highly efficient LED lighting.

Financial review

a. GOING CONCERN

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

b. PRINCIPAL RISK AND UNCERTAINTIES

The principal risks and uncertainties identified by the trustees are:

Post pandemic income recovery timeline

Whilst the performance of 22/23 exceeded expectations by £528k we recognised that we continue to face significant challenges. Current budgeting assumptions indicate a deficit of between £0.8 and £1.1m. This presents a significant challenge to our existing retail and fundraising efforts, but we have already initiated additional fundraising streams; catering services for instance. We have been successful in developing funding for our services through Hospice UK and expect to open more shops in the year ahead.

In line with our refreshed strategy, we will be reviewing opportunities for collaboration that provide efficiencies and improvements.

Nevertheless, we continue to closely monitor expenditure and investments to ensure we can continue to deliver our exceptional care services for those that need it.

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Recruitment and retention of staff

Our success over the last year is down to the hard work of our staff. The current job market means that staff retention and recruitment is a significant factor in our continued success. We are focussed on working with existing staff to ensure a positive organisational culture; one where our staff feel valued and supported and where they enjoy coming to work. Despite the financial challenges we have faced in 22/23, the trustees agreed to a staff pay award in October 2022 to recognise the impact of the cost of living crisis on our staff. We continue to review salaries so to ensure we retain the commitment of our current staff and can recruit the staff we need for the sustainable future of the hospice.

Provision of services

Commitment of our staff and focus on efficiency means we have managed the challenging finances of the year without the need to reduce our services. We have set ambitious but achievable financial targets for the year ahead to enable our services to continue. The cost of care continues to be a challenge and we expect to see more people needing our support. We are mindful that our charitable objects are sacrosanct and we will focus on ensuring our core services are sustainable.

c. FINANCIAL OVERVIEW

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

The result stated on page 24 is a net income of £528k compared to a net cost of £138k in the previous year. This result presents the continued pressures on sustainable income streams despite the significant improvements in the returns from both retail and events fundraising. Higher than planned legacy income and the extended winter pressures statutory income have contributed to the in-year surplus. Nevertheless, the continued macro-economic uncertainty has had an impact on the charity's investment portfolio, with an overall net unrealised loss in the year of £76k compared to a gain of £338k in the previous year.

Incoming resources

As set out on page 24, total incoming resources, including income from charitable activities, was £8,162k for the year (£7,228k in 21/22).

Resources expended

Prospect Hospice's expenditure on a recurring basis (set aside) to provide care and support for patients, families and carers was £4,883k a reduction of £365k over the previous year. Expenditure in generating voluntary income was up on the previous year as a direct consequence of the increased income.

d. RESERVES POLICY

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

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

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For the year ended 31 March 2023

As outlined in the financial statements as at 31 March 2023 general reserves were £6,389k, an increase of £526k during the year. Of this total £1,145k relates to unrestricted fixed assets and £452k in investment land. The remaining balance of £4,792k represents approximately 6.6 months of future operating expenditure. The reserves policy also allows for the designation of funds at the trustees discretion. As at the 31 March 2023 designated funds were at £100k.

e. MATERIAL INVESTMENTS POLICY

The trustees have taken note of the guidance given by the Charity Commission in their booklets “Charities’ Reserves (CC19)” and “Trustee Act 2000”. As at 31 March 2023 the investment portfolio had a market value of £3.8m (2022: £3.9m). The investment strategy is set out below:

- The hospice seeks to produce the best financial return on investments within an acceptable level of risk;
- The hospice adopts a total return approach to investment for its general fund portfolio, generating an investment return from income and capital gains or losses. It is expected that if in any one year the total return is insufficient to meet the budgeted expenditure, in the long term the real value of the fund will still be maintained in accordance with the investment objective above;
- The investment objective is to generate a total return of inflation plus 4% per annum over the longer term, after expenses. The hospice does not set a specific target income level. Income from the long-term general fund will be used to fund the activities of the hospice. An expected level of income will be agreed with the investment managers on an annual basis to enable effective budgeting;
- The general portfolio is to be invested in a diversified portfolio of assets according to the strategic allocation ranges that are to be set and regularly reviewed by trustees;
- A key risk to the long-term sustainability of the hospice is inflation, and the portfolio should be invested primarily in equities to mitigate this risk over the long term. The trustees understand that when investments are concentrated primarily in equities, the capital value of the portfolio will fluctuate. The trustees are able to tolerate volatility of the capital value to the long-term general fund portfolio, as long as the hospice is able to meet its short-term spending commitments through their income or liquid capital assets; and
- The trustees understand that the main portfolio might lose up to 30% of its value over 12 months due to market volatility (based on the initial strategic asset allocation and historical data for the respective investment instruments). Such a loss is generally expected to be recovered over time through the investment cycle. Trustees will require the investment managers to control volatility of the main portfolio, which should not exceed 70% rate of volatility of the global equity market (measured as FTSE All World Index).

Additionally £452k is held as investment land as at 31 March 2023, this valuation is unchanged from March 2022.

Restricted funds are held in accordance with the accounting policy which is set out on page 28.

Structure, governance and management

a. CONSTITUTION

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

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

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Report of the trustees

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The charity has a wholly owned trading subsidiary, Prospect Hospice Trading Limited, which is a retailer of new goods and operates the café within the Hospice. The subsidiary company produced a trading profit of £15.1k in the year.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

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

The charity's board of trustees regularly reviews the mix of its skills, and if any needs are identified then applicants with relevant skills and backgrounds who are eligible to meet the required time commitment are sought and recruited. This year, the board has anticipated forthcoming gaps in its skills mix that would arise through the rotation and retirement of longstanding trustees and has already recruited trustees to fill these skills and knowledge gaps.

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

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

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

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

c. PAY POLICY FOR STAFF

Despite the financial challenges presented to us, trustees are committed to ensuring that all staff are fairly rewarded in line with the market. Covid-19, and the subsequent cost of living crisis has severely impacted on the recruitment market and pay and we have seen significant increases in the national living wage. In April 2022 we implemented the new living wage rates only, increasing our lowest pay point by 4.2%. In October 2022 we implemented a cost of living increase of 3%, plus a consolidated £1,400 added to every pay point. This realigned the hospice with NHS agenda for change which is important for recruitment and retention of clinical staff. This brought our lowest pay point to 4% above the national living wage at the time. In addition, to support staff with the huge increase in winter fuel bills and cost of living, we implemented a £600 (pro-rata) non-consolidated payment for staff in December 2022.

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

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

In addition, committees reporting to the full board on Patient Services, Finance & Income Generation, Audit & Risk, and People & Resources also meet on a regular basis. Following a review of committees this year, it was decided that the Finance and Income Generation and the Audit and Risk committees would combine to form the Finance, Income Generation and Audit and Risk committee. The structure of these committees continues to be reviewed to ensure they are aligned to the governance needs of the organisation.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2023

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

e. RISK MANAGEMENT

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

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

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

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

The Finance, Income Generation, Audit and Risk committee (FIGAR) reviews all aspects of risk and reports to the board of trustees each quarter.

f. FUNDRAISING

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

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

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

We engaged the services of an external consultant to review our income generation activity following the pandemic and to inform our future strategy.

To help secure further members of our lottery, we also contracted a professional canvassing agency which provided their employees for door to door and retail canvassing. We did not employ any telephone marketing agencies to canvas for new members.

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

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

We have a supporter promise on our website.

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

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

Prospect Hospice Limited

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For the year ended 31 March 2023

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

We have a complaints procedure and all complaints are recorded. In 22/23 we received 10 complaints out of a total of 22,393 donations made by individuals and organisations that supported Prospect Hospice during the year.

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

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

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

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

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

Plans for future periods

Care and support

Over the coming year we will continue to invest in our staff and in enhancing the outstanding care we offer. Our health care assistants will take part in the Bluebell Aspire training programme which will enable them to increase their knowledge and skills in end of life care.

We've also teamed up with New College to develop learning packages in their state of the art simulated learning suite to deliver training to our staff and their nursing students, helping to further the knowledge of our own staff and helping to train our colleagues of the future.

Prospect Hospice will also be adopting the lantern model of nursing care and we'll be working with the authors of this, from St Christopher's Hospice and the Florence Nightingale Trust, to embed this across all aspects of clinical care. Through this model, there's a real emphasis on establishing therapeutic relationships with patients and aspirations for care to constantly improve and evolve.

We also have ambitious plans to extend our services reflecting the changing needs of our patients which will include:

- Frailty care: Working with our community healthcare partners to create a virtual ward where we can work together to offer extended palliative and end of life support to those who need it. This work has been possible thanks to a frailty in end of life grant;
- Motor neurone disease (MND): We'll welcome a new MND coordinator who will work with local MND partners and the MND association to support patients in the area with MND; and
- Homelessness: Working with hostels in Swindon, we'll build on our work with homeless outreach to support those who are often hard to reach.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2023

Financial stability

The financial sustainability of the hospice remains a high priority for the coming year as we try to return to business as usual. We know this is going to be tough as we are faced with many challenges, including the current cost of living crisis, high interest rates and energy prices to name but a few. The road to recovery will extend beyond the 23/24 financial year, however we are confident that we have the right strategy in place to strengthen and secure the future of the hospice.

In light of the challenges we face, current budget assumptions indicate a likely deficit for the year ahead, and we understand the challenges that presents. By re-investing the surplus funds achieved in 22/23, due mainly to higher than budgeted legacy income, we will continue to be here to support our community. During 23/24 we will be focussed on growing our income streams to enable us to be here for the community for many years to come.

To support this, we plan to increase income through a number of routes. We are aiming for retail income to increase this year with the opening of further shops in the local area as well as increasing our online sales income. As a community charity, we are dependent on the continued support of the community we serve; we know that this year is going to be just as hard for them as the last few. The economic forecast is that people will continue to struggle so we therefore need to make our case for support clear. We continue to investigate new commercial income streams as a means of bringing sustainable income to the hospice.

Long term, we'll be working on increasing our legacy work. Our community is not cash rich at the moment and may feel they can't do anything to support us. Leaving a gift in their will is something they can commit to now but won't cost them a penny today. We know this is a long term project and, while we won't see the income from this over the next year, it is work that needs doing now to ensure financial security in the future.

We know that these are extremely challenging times for all but the actions we have taken to date, and will in the future, have all been taken to increase income and secure our financial future.

People

The beginning of 2023 saw the start of a level of industrial unrest that has not been seen for decades. Coupled with the continuing cost of living crisis, the changing market and the increasing challenge of recruiting and retaining staff across all roles, the board made a proactive decision to implement a 5% cost of living increase for all employees on 1 April 2023. At the same time, we implemented the 10.2% increase in the national living wage, with the board deciding that we would retain our 4% differential above the national living wage. This proactive decision was welcomed by staff and provides certainty of staff costs for the year 23/24.

Implementing Prospect Hospice's new strategy

Over the last few years we've worked with staff, sought feedback from our patients and those important to them, learnt from the pandemic and used the evidence that most people wish to die at home, close to family and friends, to devise our new strategy for the next five years.

This new strategy focuses on a vision of creating a community where death is no longer a taboo and everyone lives and dies well. The mission supporting this is that we will work with and through others using our skills and expertise so that people have a choice and support at the end of their life.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2023

Over the next five years, our objectives to achieve this are:

- Secure the continuity of Prospect Hospice charity for our community for generations to come;
- Deliver bespoke specialist care that supports dignity and choice;
- Use our expertise to educate and influence the delivery of excellence in end of life care; and
- Take pride in being a great place to work.

This has now been shared with staff and stakeholders and work has already begun on this.

CHAIR'S CLOSING STATEMENT

When we entered lockdown over three years ago, no one could have predicted that we'd be in the position we are now. We are still recovering financially and face new challenges from inflation and global fiscal uncertainty. Both our retail and fundraising income streams have exceeded expectations and continue to grow. These have been boosted by greater than expected legacy income so that we returned a surplus for the year.

Our continued and sustainable income has been the main concern of the trustees over the year. We have been focussed on ensuring the Prospect Hospice remains a going concern. Robust management of costs, supported by exceptional performance of both retail and fundraising, means that the trustees are assured that the Hospice is in a better financial position. The additional income from legacies means that the hospice reported a surplus of £528k at the end of the year. The trustees therefore have no hesitation supporting the assessment of going concern.

Despite this success, we have taken the opportunity to re-evaluate and look into new ways we might grow our business that doesn't simply rely on our existing incomes. We've already received positive feedback from our 'food to go' catering service and we'll be looking to further develop this and other commercial income streams to ensure the future of the hospice.

It's been tough, and it's not going to get any better soon, however, the one thing we can rely on is that our staff will continue to look at new ways of generating much needed income and that, when they can, our community will be there to support us in the best ways they can.

While it continues to be difficult, we have big ambitions for the future. Our clinical teams continue to learn and innovate the way they deliver end of life care and that will continue as we invest in further training to help individuals develop their skills and knowledge further.

We provide outstanding care to our patients which is not only reflected in our CQC assessment, but also through our patients and those important to them. We know we can't do it alone though and working with others is going to be incredibly important for us in the future. Our new strategy highlights this and demonstrates how we will, over the coming years, work with and through our partners to ensure our patients have choice and support at the end of their lives.

While the last few years have been challenging, we've learnt just how resilient we can be in times of trouble, and we've remained able to care for those who need us. We're able to bend and flex as the needs of our community changes and, while we know we may not be out of the tough times yet, we know we have the tools to be able to make it work and continue to provide outstanding care for our patients and their families.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2023

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

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

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

Disclosure of information to auditor

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

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

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2023

Auditors

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

This report, including the strategic report, was approved by the board of trustees on 22 June 2023 and signed on their behalf by:

Dr K Howard

Kevin Howard - Chair

Independent auditors' report

To the members of

Prospect Hospice Limited

Opinion

We have audited the financial statements of Prospect Hospice Limited (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, consolidated and parent balance sheets, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Independent auditors' report

To the members of

Prospect Hospice Limited

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the trustees

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

Our responsibilities for the audit of the financial statements

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

Independent auditors' report

To the members of

Prospect Hospice Limited

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

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

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

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

(3) We inspected the minutes of trustee meetings.

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

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

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

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

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

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

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

Independent auditors' report

To the members of

Prospect Hospice Limited

Use of our report

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

Alison Godfrey

Date: 26 June 2023

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Prospect Hospice Limited

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

For the year ended 31 March 2023

	Note	Restricted £000	Unrestricted £000	2023 Total £000	2022 Total £000
Income from:					
Donations and legacies	3	230	2,482	2,712	2,258
Charitable activities	4	2,502	47	2,549	2,926
Other trading activities	5	-	2,869	2,869	2,043
Investments	6	-	16	16	1
Other income		-	16	16	-
Total income		<u>2,732</u>	<u>5,430</u>	<u>8,162</u>	<u>7,228</u>
Expenditure on:					
Raising funds:					
Voluntary income		-	576	576	486
Fundraising trading		-	2,099	2,099	1,970
Charitable activities		<u>2,830</u>	<u>2,053</u>	<u>4,883</u>	<u>5,248</u>
Total expenditure	8	<u>2,830</u>	<u>4,728</u>	<u>7,558</u>	<u>7,704</u>
Net income / (expenditure) before investment gains		(98)	702	604	(476)
Net gains / (losses) on investments		-	(76)	(76)	338
Net movement in funds	9	(98)	626	528	(138)
Reconciliation of funds:					
Total funds brought forward		<u>1,286</u>	<u>5,863</u>	<u>7,149</u>	<u>7,287</u>
Total funds carried forward		<u><u>1,188</u></u>	<u><u>6,489</u></u>	<u><u>7,677</u></u>	<u><u>7,149</u></u>

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

Prospect Hospice Limited

Consolidated balance sheets

As at 31 March 2023

	Note	The group 2023 £000	The group 2022 £000	The charity 2023 £000	The charity 2022 £000
Fixed assets					
Tangible assets	12	2,296	2,389	2,296	2,389
Investment property	13	452	452	452	452
Investments	14, 15, 16	3,827	3,903	3,827	3,903
		<u>6,575</u>	<u>6,744</u>	<u>6,575</u>	<u>6,744</u>
Current assets					
Stocks	17	55	44	51	40
Debtors	18	457	1,500	473	1,513
Cash at bank and in hand		2,564	1,476	2,550	1,462
		<u>3,076</u>	<u>3,020</u>	<u>3,074</u>	<u>3,015</u>
Liabilities					
Creditors: amounts falling due within 1 year	19	974	1,340	972	1,335
Net current assets		2,102	1,680	2,102	1,680
Creditors: amounts falling due after 1 year	20	1,000	1,275	1,000	1,275
Net assets	24	7,677	7,149	7,677	7,149
Funds					
Restricted funds	25	1,188	1,286	1,188	1,286
Unrestricted funds:					
Designated funds		100	-	100	-
General funds		6,389	5,863	6,389	5,863
Total charity funds		7,677	7,149	7,677	7,149

Approved by the trustees on 22 June 2023 and signed on their behalf by

Dr K Howard



Kevin Howard - Chair

Sheila Bryant - Trustee

Prospect Hospice Limited

Consolidated statement of cash flows

For the year ended 31 March 2023

	2023	2022
	£000	£000
Net cash provided by / (used in) operating activities		
Net movement in funds	528	(138)
<i>Adjustments for:</i>		
Depreciation charges	115	168
(Gains) / losses on investments	76	(338)
Dividends, interest and rents from investments	(16)	(1)
Loss / (profit) on the sale of fixed assets	(17)	131
Decrease / (increase) in stock	(11)	10
Decrease / (increase) in debtors	1,043	(639)
Increase / (decrease) in creditors	(441)	112
Net cash provided by / (used in) operating activities	<u>1,277</u>	<u>(695)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	16	1
Purchase of tangible fixed assets	(29)	-
Proceeds from the sale of property, plant and equipment	24	-
Net cash provided by / (used in) investing activities	<u>11</u>	<u>1</u>
Cash flows from financing activities:		
Repayment of borrowing	(200)	-
Cash inflows from new borrowing	-	1,500
Net cash provided in / (used in) financing activities	<u>(200)</u>	<u>1,500</u>
	-	
Increase / (decrease) in cash and cash equivalents in the year	1,088	806
Cash and cash equivalents at the beginning of the year	<u>1,476</u>	<u>670</u>
Cash and cash equivalents at the end of the year	<u><u>2,564</u></u>	<u><u>1,476</u></u>

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies

a) Basis of preparation

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

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

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

b) Group accounts

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

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. The trustees have taken into account the financial risks of continuing operations in a post-COVID world, and are satisfied that the strategies for income growth in place for 23/24 - 25/26, together with the built back reserves position at 31 March 2023 and the repayment of long term loan finance from July 2023 to limit exposure to interest rate risk, are sufficient to mitigate the operating risks. Further detail is provided in the trustees' annual report.

d) Income

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

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

d) Income (continued)

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

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

e) Donated services and facilities

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

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

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

f) Interest receivable

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

g) Funds accounting

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

h) Expenditure and irrecoverable VAT

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

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

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

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

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

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

i) Allocation of support costs

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

j) Tangible fixed assets

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

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

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

k) Investment property

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

l) Investments

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

m) Stock

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

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors

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

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Pension costs

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

s) Contingent liabilities

A contingent liability is recognised when either a transfer of economic benefit to settle the obligation is possible but not probable; or the amount of the obligation cannot be estimated reliably.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

t) Accounting estimates and judgements

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

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

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

2. Prior period comparatives

	Restricted	Unrestricted	2022
	£000	£000	Total
			£000
Income from:			
Donations and legacies	93	2,165	2,258
Charitable activities	2,892	34	2,926
Other trading activities	-	2,043	2,043
Investments	-	1	1
	<hr/>	<hr/>	<hr/>
Total income	2,985	4,243	7,228
Expenditure on:			
Raising funds:			
Voluntary income	-	486	486
Fundraising trading	-	1,970	1,970
Charitable activities	3,204	2,044	5,248
	<hr/>	<hr/>	<hr/>
Total expenditure	3,204	4,500	7,704
Net expenditure before investment gains	(219)	(257)	(476)
Net gains on investments	-	338	338
	<hr/>	<hr/>	<hr/>
Net movement in funds	(219)	81	(138)

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

3. Income from donations and legacies

	Restricted £000	Unrestricted £000	2023 Total £000
Donations	-	492	492
Prospect fundraising events	32	119	151
Community fundraising	-	383	383
Boxes income	-	45	45
Legacies	-	1,136	1,136
Trusts income	198	52	250
In memorium	-	255	255
Total donations and legacies	230	2,482	2,712

Prior period comparative

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

4. Income from charitable activities

	Restricted £000	Unrestricted £000	2023 Total £000
COVID funding	66	9	75
Swindon CCG	1,787	-	1,787
Wiltshire CCG	311	-	311
Great Western Hospitals NHS Foundations Trust	5	-	5
Health England (GPST1 doctors funding)	177	-	177
BSW Alliance	118	-	118
Health Education England	27	-	27
Other	11	38	49
Total charitable activities	2,502	47	2,549

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

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

5. Income from other trading activities	2023	2022
	£000	£000
Shops and retail	2,043	1,541
Lottery income	749	488
Catering income	34	14
Ball tickets and raffle	43	-
Total other trading activities	2,869	2,043

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

6. Investment income	2023	2022
	£000	£000
Income from cash held at UK banks	15	1
Income from investment portfolio	1	-
Total investment income	16	1

All investment income in the current and prior year was unrestricted.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

7. Government grants

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

8. Expenditure

	Direct costs £000	Support costs £000	2023 Total £000
Raising funds			
Costs of generating voluntary income	<u>444</u>	<u>132</u>	<u>576</u>
Fundraising trading			
Costs of goods sold in shops and café	43	-	43
Lottery prizes and overheads	210	2	212
Retail costs	<u>1,343</u>	<u>501</u>	<u>1,844</u>
	<u>1,596</u>	<u>503</u>	<u>2,099</u>
Charitable activities			
In-patient unit	1,507	744	2,251
Community care	931	527	1,458
Influencing and education	628	444	1,072
Governance costs	<u>102</u>	<u>-</u>	<u>102</u>
	<u>3,168</u>	<u>1,715</u>	<u>4,883</u>
Total expenditure	<u><u>5,208</u></u>	<u><u>2,350</u></u>	<u><u>7,558</u></u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

8. Expenditure (continued)

Prior year comparative

	Direct costs £000	Support costs £000	2022 Total £000
Raising funds			
Costs of generating voluntary income	<u>331</u>	<u>155</u>	<u>486</u>
Fundraising trading			
Costs of goods sold in shops and café	18	-	18
Lottery prizes and overheads	214	2	216
Retail costs	<u>1,200</u>	<u>536</u>	<u>1,736</u>
	<u>1,432</u>	<u>538</u>	<u>1,970</u>
Charitable activities			
In-patient unit	1,644	855	2,499
Community care	947	558	1,505
Influencing and education	674	454	1,128
Governance costs	<u>116</u>	<u>-</u>	<u>116</u>
	<u>3,381</u>	<u>1,867</u>	<u>5,248</u>
Total expenditure	<u><u>5,144</u></u>	<u><u>2,560</u></u>	<u><u>7,704</u></u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

9. Net movement in funds

This is stated after charging:

	2023	2022
	£000	£000
Depreciation	115	168
Operating lease payments	274	248
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit (including VAT)	<u>12</u>	<u>11</u>

10. Staff costs and numbers

Staff costs were as follows:

	2023	2022
	£000	£000
Salaries and wages	4,414	4,843
Social security costs	428	395
Pension costs	<u>321</u>	<u>316</u>
	<u>5,163</u>	<u>5,554</u>

There were no termination or redundancy payments made during the year (2022: £16k).

	2023	2022
	No.	No.
Average number of employees	<u>190</u>	<u>196</u>

Full time equivalents:

	2023	2022
	No.	No.
Medical	5	5
In-patient nurses	23	24
Community care	32	33
Influencing and education	1	-
Catering and housekeeping	4	3
Income generation	42	40
Facilities and reception	2	2
Admin and support	17	22
Management	<u>7</u>	<u>8</u>
	<u>133</u>	<u>137</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

10. Staff costs and numbers (continued)

During the year, bank staff employed by the hospice are used to cover short term absences, vacancies and training. When bank staff are not available external agency staff are then used. Total payments for bank staff made through the payroll in the year was £195k (2022: £310k).

At 31 March 2023 there were 33 members of the NHS pension scheme (2022: 36), and 117 members of the Royal London Group Personal pension plan (2022: 124).

The number of higher paid employees was:

	2023	2022
	No.	No.
£70,001 - £80,000	2	2
£80,001 - £90,000	2	2
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£150,001 - £160,000	1	-
£220,001 - £230,000	-	1
	<u>6</u>	<u>6</u>

The total emoluments inclusive of all employer related costs and termination, redundancy and other restructuring fixed term contractual payments paid to key management personnel (6.0 FTE) for the year was £670k (2022: 6.0 FTE £700k), of which, pension contributions amounted to £30k (2022: £30k).

11. Taxation

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

12. Tangible fixed assets: group and charity

	Hospice land and buildings £000	Leasehold improvements £000	Equipment for care and support £000	Other equipment and vehicles £000	Total £000
Cost					
At 1 April 2022	4,073	217	428	978	5,696
Additions	-	-	29	-	29
Disposals	-	-	-	(66)	(66)
At 31 March 2023	<u>4,073</u>	<u>217</u>	<u>457</u>	<u>912</u>	<u>5,659</u>
Depreciation					
At 1 April 2022	1,755	193	423	936	3,307
Charge for the year	93	4	4	14	115
Disposals	-	-	-	(59)	(59)
At 31 March 2023	<u>1,848</u>	<u>197</u>	<u>427</u>	<u>891</u>	<u>3,363</u>
Net book value					
At 31 March 2023	<u>2,225</u>	<u>20</u>	<u>30</u>	<u>21</u>	<u>2,296</u>
At 31 March 2022	<u>2,318</u>	<u>24</u>	<u>5</u>	<u>42</u>	<u>2,389</u>

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

13. Investment property: group and charity

	2023 £000	2022 £000
Market value at 1 April 2022	452	452
Unrealised gain on revaluation	-	-
Market value at 31 March 2023	<u>452</u>	<u>452</u>
Historic cost	<u>153</u>	<u>153</u>

The investment land shown relates to a share of land that was given in a legacy. The ownership of the land has been transferred into the names of the three beneficiaries of which Prospect Hospice is one. The latest desktop valuation of the land was carried out on 31 March 2023 by Chesters Commercial. This concluded there was no material change in valuation on the proportion of the developable land. The remaining proportion of land is held at arable value. The trustees consider this a fair estimate of land value as at 31 March 2023.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

14. Investments: group and charity

	2023	2022		
	£000	£000		
Market value at 1 April 2022	3,903	3,565		
Realised and unrealised gains / (losses)	(76)	338		
Cash movement	<u>-</u>	<u>-</u>		
Market value at 31 March 2023	<u>3,827</u>	<u>3,903</u>		
Historic cost	<u>2,464</u>	<u>2,464</u>		
Group investments comprise:				
	UK	Overseas	2023 Total	2022 Total
	£000	£000	£000	£000
Listed investments	<u>3,827</u>	<u>-</u>	<u>3,827</u>	<u>3,903</u>

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

15. Subsidiary undertakings

Prospect Hospice Trading Limited

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

	2023	2022
	£000	£000
Turnover	79	49
Cost of sales	<u>(41)</u>	<u>(16)</u>
Gross profit	38	33
Administrative expenses	<u>(23)</u>	<u>(18)</u>
Profit / (loss) on ordinary activities before taxation	15	15
Tax on profit / (loss) on ordinary activities	<u>-</u>	<u>-</u>
Profit for the financial year after taxation	<u>15</u>	<u>15</u>
<i>Changes in equity</i>		
Total retained losses brought forward	-	(1)
Total comprehensive income for the year	15	15
Gift aid distribution to parent charity	<u>(15)</u>	<u>(14)</u>
Total retained profit / (losses) carried forward	<u>-</u>	<u>-</u>

The aggregate of the assets, liabilities and funds was:

	2023	2022
	£000	£000
Assets	27	22
Liabilities	<u>(27)</u>	<u>(22)</u>
Funds	<u>-</u>	<u>-</u>

16. Parent charity

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

	2023	2022
	£000	£000
Gross income	8,119	7,112
Results for the year	<u>529</u>	<u>235</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

17. Stock

	The group		The charity	
	2023 £000	2022 £000	2023 £000	2022 £000
Goods for resale	<u>55</u>	<u>44</u>	<u>51</u>	<u>40</u>

18. Debtors

	The group		The charity	
	2023 £000	2022 £000	2023 £000	2022 £000
Trade debtors	142	923	142	923
Amounts owed by group undertakings	-	-	25	17
Tax recoverable	65	62	56	58
Prepayments and accrued income	<u>250</u>	<u>515</u>	<u>250</u>	<u>515</u>
	<u>457</u>	<u>1,500</u>	<u>473</u>	<u>1,513</u>

19. Creditors: amounts due within 1 year

	The group		The charity	
	2023 £000	2022 £000	2023 £000	2022 £000
Trade creditors	100	119	100	119
Accruals	233	375	231	370
Other taxation and social security	111	105	111	105
Other creditors	44	20	44	20
Deferred income (see note 21)	186	496	186	496
Loans	<u>300</u>	<u>225</u>	<u>300</u>	<u>225</u>
	<u>974</u>	<u>1,340</u>	<u>972</u>	<u>1,335</u>

20. Creditors: amounts due after 1 year

	The group		The charity	
	2023 £000	2022 £000	2023 £000	2022 £000
Loans	<u>1,000</u>	<u>1,275</u>	<u>1,000</u>	<u>1,275</u>

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

21. Deferred income

	The group		The charity	
	2023 £000	2022 £000	2023 £000	2022 £000
At 1 April 2022	496	578	496	578
Deferred during the year	186	496	186	496
Released during the year	<u>(496)</u>	<u>(578)</u>	<u>(496)</u>	<u>(578)</u>
At 31 March 2023	<u>186</u>	<u>496</u>	<u>186</u>	<u>496</u>

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

22. Analysis of changes in net debt

	At 1 April 2022 £000	Cash flows £000	At 31 March 2023 £000
	Cash	<u>1,476</u>	<u>1,088</u>
	1,476	1,088	2,564
Loans falling due within 1 year	(225)	(75)	(300)
Loans falling due after 1 year	<u>(1,275)</u>	<u>275</u>	<u>(1,000)</u>
Total	<u>(24)</u>	<u>1,288</u>	<u>1,264</u>

23. Financial instruments measured at fair value

	The group		The charity	
	2023 £000	2022 £000	2023 £000	2022 £000
Financial assets measured at fair value	<u>4,279</u>	<u>4,355</u>	<u>4,279</u>	<u>4,355</u>

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

24. Analysis of group net assets between funds

	Restricted funds £000	Designated funds £000	General funds £000	Total funds £000
Tangible fixed assets	1,151	-	1,145	2,296
Investment property	-	-	452	452
Fixed asset investments	-	-	3,827	3,827
Current assets	37	100	2,939	3,076
Current liabilities	-	-	(974)	(974)
Non current liabilities	-	-	(1,000)	(1,000)
Net assets at 31 March 2023	<u>1,188</u>	<u>100</u>	<u>6,389</u>	<u>7,677</u>

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

25. Movements in funds

	At 1 April 2022 £000	Income £000	Expenditure £000	Gains / (losses) £000	Transfers between funds £000	At 31 March 2023 £000
Restricted funds						
Building funds	1,200	-	(54)	-	-	1,146
Costs of equipment	6	-	(1)	-	-	5
Running costs	80	2,732	(2,775)	-	-	37
Total restricted funds	1,286	2,732	(2,830)	-	-	1,188
Unrestricted funds						
Designated funds	-	-	-	-	100	100
General funds	5,863	5,430	(4,728)	(76)	(100)	6,389
Total unrestricted funds	5,863	5,430	(4,728)	(76)	-	6,489
Total funds	7,149	8,162	(7,558)	(76)	-	7,677

Restricted funds

Building funds

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

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

Unrestricted funds

Designated funds

This relates to a potential liability arising from additional obligations around pension contributions. Indications are that the estimated value of these potential payments are in the region of £100k. The criteria for inclusion as a liability or provision have not yet been met, consequently the trustees have designated some funds to cover the potential liability should it crystallise.

General funds

It is the policy of Prospect Hospice to aim to keep up to 6 months of future operating costs as free reserves and as an absolute minimum to keep a level of reserves sufficient to meet its liabilities in the event of a winding up of the organisation. If the level of free reserves fall below the policy level the Trustees will review all reserves and their purpose and may choose to transfer previously designated reserves into free reserves to enable them to utilise where most needed for the provision of the hospice's charitable aims. The year end figure, excluding the balance held in fixed assets and investment land, represents approximately 6.6 months' worth of future operating expenditure.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

25. Movements in funds (continued)

Prior year comparative

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

26. Pension commitments

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

RL Scheme

The assets of the RL scheme are held separately from those of the charity in a separately administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £154k (2022: £170k).

NHS Scheme

The NHS scheme is a multi-employer defined benefit pension scheme. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reliable basis, the scheme is treated by the charity as if it were a defined benefit contribution scheme, in accordance with FRS 102. The pension cost charge represents contributions payable by the charity to the fund and amounted to £155k (2022: £137k).

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

27. Operating lease commitments

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

	The group		The charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Amount falling due:				
Within 1 year	224	251	224	251
Within 1 - 5 years	223	635	223	635
Over 5 years	6	128	6	128
	<u>453</u>	<u>1,014</u>	<u>453</u>	<u>1,014</u>

28. Contingent assets

There are some legacies which have been notified to the charity at 31 March 2023 for which the amount receivable cannot be ascertained. These financial statements include payments received on account but not any estimates for future amounts receivable. Indications are that the estimated value of these potential legacies is in the region of £495k (2022: £420k).

29. Contingent liabilities

There is a potential liability arising from additional obligations around pension contributions, for which the amount payable and the timing of the cash outflow cannot be ascertained. Indications are that the estimated value of these potential payments are in the region of £100k (2022: £nil). The charity does not expect to receive reimbursement if the cost crystallises.

30. Related party transactions

No members of the board of trustees received any remuneration for their services or received any reimbursement of expenses (2022: nil).

Beyond the transactions with its subsidiary, there was one further related party transaction during the year. Trustee Joseph Lewis is a partner at law firm Gardner Leader LLP. Gardner Leader LLP provided legal services related to the commercialising of catering for £825 + VAT. There were no such transactions in the prior year.

PROSPECT HOSPICE LIMITED

England & Wales - Charity number 280093

Accounts

Company no. 01494909
Charity no. 280093

Prospect Hospice Limited
Report and Audited Financial Statements
31 March 2022

Prospect Hospice Limited

Reference and administrative details

For the year ended 31 March 2022

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

Prospect Hospice Limited

Reference and administrative details

For the year ended 31 March 2022

Investment managers

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

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

Auditors

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2022

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

Objectives and activities

a. POLICIES AND OBJECTIVES

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

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

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

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

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

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2022

Highlights in the year

Care Quality Commission rates Prospect Hospice as “Outstanding”

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

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

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

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

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

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

Response to system-wide pressures

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

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

Impact of the Covid-19 pandemic

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

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

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For the year ended 31 March 2022

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

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

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

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

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

Achievements and performance

REVIEW OF ACTIVITIES

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

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

Supporting patients and families

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

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2022

Feedback from patients - I Want Great Care

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

Feedback from carers and service users

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

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

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

Alisa Holt, daughter of Margaret and Eric

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

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

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

Colleen Maskell, patient

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

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

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

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Tristan Foot, son of Eric

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

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

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

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

Savernake

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

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

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

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

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

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

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

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For the year ended 31 March 2022

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

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

Income generation

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

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

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

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

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

Staff engagement and inclusion

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

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2022

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

Volunteers

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

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

Investing in new technology

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

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

Environmental impact

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

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

We have also during this year:

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

Financial review

a. GOING CONCERN

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2022

b. PRINCIPAL RISK AND UNCERTAINTIES

The principal risks and uncertainties identified by the trustees are:

Post pandemic income recovery timeline

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

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

Recruitment and retention of staff

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

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

Reduction/closure of services

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

c. FINANCIAL OVERVIEW

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

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

Incoming resources

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

Resources expended

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

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Report of the trustees

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d. RESERVES POLICY

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

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

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

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

e. MATERIAL INVESTMENTS POLICY

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

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

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For the year ended 31 March 2022

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

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

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

Structure, governance and management

a. CONSTITUTION

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

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

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

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

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

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

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

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

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

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

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Report of the trustees

For the year ended 31 March 2022

c. PAY POLICY FOR STAFF

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

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

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

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

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

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

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

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

e. RISK MANAGEMENT

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

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

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

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

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

f. FUNDRAISING

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

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For the year ended 31 March 2022

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

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

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

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

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

We have a supporter promise on our website.

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

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

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

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

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

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

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

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For the year ended 31 March 2022

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

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

Plans for future periods

Care and support

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

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

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

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

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

Financial stability

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

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2022

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

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

Developing Prospect Hospice's new strategy

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

Key areas already highlighted as important to the organisation include:

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

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

Chair's closing statement

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

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

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

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2022

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

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

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

Disclosure of information to auditor

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

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

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

Auditors

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

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

Dr Kevin Howard

Kevin Howard - Chair

Independent auditors' report

To the members of

Prospect Hospice Limited

Opinion

We have audited the financial statements of Prospect Hospice Limited (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, consolidated and parent balance sheets, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Independent auditors' report

To the members of

Prospect Hospice Limited

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the trustees

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

Our responsibilities for the audit of the financial statements

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

Independent auditors' report

To the members of

Prospect Hospice Limited

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

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

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

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

(3) We inspected the minutes of trustee meetings.

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

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

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

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

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

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

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

Independent auditors' report

To the members of

Prospect Hospice Limited

Use of our report

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

Alison Godfrey

Date: 27 June 2022

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Prospect Hospice Limited

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

For the year ended 31 March 2022

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

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

Prospect Hospice Limited

Consolidated balance sheets

As at 31 March 2022

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

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

Dr Kevin Howard

Sheila Bryant

Kevin Howard - Chair

Sheila Bryant - Trustee

Prospect Hospice Limited

Consolidated statement of cash flows

For the year ended 31 March 2022

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

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies

a) Basis of preparation

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

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

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

b) Group accounts

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

c) Going concern basis of accounting

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

d) Income

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

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies (continued)

d) Income (continued)

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

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

e) Donated services and facilities

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

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

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

f) Interest receivable

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

g) Funds accounting

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies (continued)

h) Expenditure and irrecoverable VAT

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

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

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

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

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

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

i) Allocation of support costs

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

j) Tangible fixed assets

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

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

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

k) Investment property

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies (continued)

l) Investments

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

m) Stock

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

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors

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

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Pension costs

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

s) Accounting estimates and judgements

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies (continued)

s) Accounting estimates and judgements

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

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

2. Prior period comparatives

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

3. Income from donations and legacies

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

Prior period comparative

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

4. Income from charitable activities

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

4. Income from charitable activities (continued)

Prior period comparative

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

5. Income from other trading activities

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

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

6. Investment income

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

All investment income was unrestricted in the prior year.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

7. Government grants

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

8. Expenditure

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

8. Expenditure (continued)

Prior year comparative

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

9. Net movement in funds

This is stated after charging:

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

10. Staff costs and numbers

Staff costs were as follows:

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

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

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

Full time equivalents:

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

10. Staff costs and numbers (continued)

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

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

The number of higher paid employees was:

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

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

11. Taxation

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

12. Tangible fixed assets: group and charity

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

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

13. Investment property: group and charity

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

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

14. Investments: group and charity

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

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

15. Subsidiary undertakings

Prospect Hospice Trading Limited

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

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

The aggregate of the assets, liabilities and funds was:

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

16. Parent charity

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

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

17. Stock

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

18. Debtors

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

19. Creditors: amounts due within 1 year

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

20. Creditors: amounts due after 1 year

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

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

21. Deferred income

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

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

22. Analysis of changes in net debt

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

23. Financial instruments measured at fair value

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

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

24. Analysis of group net assets between funds

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

25. Movements in funds

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

Restricted funds

Building funds

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

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

General funds

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

25. Movements in funds (continued)

Prior year comparative

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

26. Pension commitments

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

RL Scheme

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

NHS Scheme

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

27. Operating lease commitments

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

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

28. Contingent assets

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

29. Related party transactions

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

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

PROSPECT HOSPICE LIMITED

England & Wales - Charity number 280093

Accounts

Company no. 01494909
Charity no. 280093

Prospect Hospice Limited
Report and Audited Financial Statements
31 March 2021

Prospect Hospice Limited

Reference and administrative details

For the year ended 31 March 2021

Company number	01494909
Charity number	280093
Registered office and operational address	Moormead Road Wroughton Swindon Wiltshire SN4 9BY
Patrons	Jonathan Wilkes Helen Browning Sarah Troughton
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: David Barrand Clive Bassett resigned 28 September 2020 Pradeep Bhardwaj Sheila Bryant Eleanor Butler John Gilbert Caroline Hallatt Sarah Jones Joseph Lewis appointed 28 September 2020 Douglas Looman Jennifer Seavor appointed 28 September 2020 Penny Tidbury Lindsay Whittam
Chief executive officer	Irene Watkins
Senior leadership team	Helen Baxter Director of Finance Carolyn Bell Director of Services Warren Finney Director of Community Development Jo Hollingsworth Director of People
Medical director	Sheila Popert appointed 1 April 2020
Bankers	HSBC plc Unit 6 The Lock Canal Walk Swindon SN1 1LD

Prospect Hospice Limited

Reference and administrative details

For the year ended 31 March 2021

Investment managers

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

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

Auditors

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

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2021

The trustees present their annual report together with the audited financial statements of Prospect Hospice Limited for the year 1 April 2020 to 31 March 2021. This report incorporates the strategic report as required by company law.

Objectives and Activities

a) POLICIES AND OBJECTIVES

Prospect Hospice's objects are to promote the relief of sickness in such ways as the charity shall from time to time think fit, and in particular (but without prejudice to the generality of such objects):

- a. By establishing, maintaining and conducting residential homes in England for the reception and care of persons of either sex (without regard to race or creed) who are suffering (at any age) from any chronic or terminal illness or from infirmity, disability or disease whether attributable to old age or otherwise by providing medical or other treatment and attention for such persons either in such residential homes or in their own homes.
- b. By conducting or promoting or encouraging research into the care and treatment of persons suffering from any such illness.
- c. By promoting, encouraging or assisting in the teaching or training of healthcare professionals and other persons engaged in any branch of medicine or allied service.
- d. By providing, encouraging or assisting in the provision of spiritual help and guidance for any persons resident (either as patients or otherwise) or working in any such residential homes.

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

b) ACTIVITIES FOR ACHIEVING OBJECTIVES

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

- A 16-bed in-patient facility providing respite care, symptom control and care at the very end of life which the hospice operates on a flexible model based on patient demand.
- A Day Therapy Unit and Outreach Centre offering therapeutic and social opportunities for out-patients.
- A Prospect at Home service, providing practical support and nursing care for up to 24 hours a day, in patients' own homes.
- A community based clinical nurse service providing advice, support and information for patients at home and in local care homes.
- A clinical nurse specialist service supporting end-of-life care delivered at Great Western Hospital in Swindon.
- A consultant-led medical team providing expertise across the range of Hospice's services and locations.
- Rehabilitation services including physiotherapy, occupational therapy and dietary advice.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2021

- A range of practical and psycho-social support services to patients, families, and carers provided through a family support team. Their work extends to providing support for carers and people who have been recently bereaved.
- A range of complementary and creative therapies.
- Spiritual support service for patients and their families.
- Care services delivered by a multi-professional team for patients living with lymphoedema.
- Education and training on end-of-life care and support for health and social care professionals.

Highlights in the year

2020 was the hospice's 40th anniversary year, and a series of special events and fundraising activities had been lined up to celebrate this milestone, starting with the visit by hospice patron HRH the Duchess of Cornwall back in January.

In January 2020, the hospice was also celebrating getting back onto a more solid footing, with a new executive team established and new board governance procedures that had been introduced to give trustees a much higher level of assurance. In addition, the planning that had been done would have seen the hospice return to a balanced budget by the start of the 2021/22 financial year.

But this was all overtaken by global events.

The Covid-19 pandemic struck towards the end of the 2019/20 financial year and by the start of the 2020/21 financial year the first national lockdown was in place. The pandemic has been the dominant feature of this past year and, for the hospice, it has made for a particularly tough environment given that approximately 75% of funding comes from public donations generated through events and fundraising activity and income from retail operations. All normal fundraising events had to be cancelled and our shops were shut for a total of seven months as a consequence of the government lockdowns.

These events created a precarious financial position and, at the same time, required changes to working practices across the hospice. New procedures were quickly put in place to protect patients and their families, as well staff and volunteers, including limiting contact wherever it was practical. Initially the hospice was not allowed to make use of the NHS procurement services for PPE, but we successfully sought out alternative sources to ensure we had sufficient supplies. This sometimes required a lot of creativity, including some volunteers sewing together gowns for clinical staff.

It is a testament to the dedication and resilience of staff and volunteers that the hospice has managed to continue to provide uninterrupted services to the community throughout this time and the trustees are incredibly proud of everyone who played their part in this.

The previous two years have been extremely challenging for staff, volunteers and trustees to address the 'requires improvement rating' given to the hospice in 2018 by the CQC and they have worked hard to address the issues raised. This work resulted in the removal of the CQC warning notice following a re-inspection in November 2020, however, this was not a full inspection and the rating could not be changed.

Unfortunately the pandemic stopped all CQC face to face visits, which prevented them re-rating our services. A full inspection was carried out at the end of July 2021, and everyone is looking forward to the result of that inspection.

Prospect Hospice Limited

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Apart from the massive effort from everyone to cope with the pandemic, other notable accomplishments during the year included:

- The foundation work commenced for a new approach to community-based service provision.
- A new pay framework for staff was developed and implemented.
- An equality, diversity and inclusion initiative was introduced.
- A new board assurance framework is now in use.
- Commencement of the project to upgrade to a new integrated patient record system, which will be implemented during 21/22.
- The CEO of the hospice was appointed as co-chair in the BSW alliance for end-of-life care.

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

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

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

Achievements and Performance

a. REVIEW OF ACTIVITIES

The pandemic, and the associated pressure on the finances of the hospice, brought with it an urgent need to restructure services. This work was completed during the year and the hospice is now a much more efficient organisation as a result. During this process the executive team and the trustees were aware of the impact that decisions would have on the lives of staff made redundant and therefore sought to re-assign people to other roles wherever possible, resulting in only seven staff redundancies. The financial recovery of voluntary income streams as a direct result of the pandemic is expected to take at least 12 to 18 months.

Supporting patients and families

Throughout the year, despite the challenges posed by the pandemic restrictions and lockdowns, the support for patients and families has continued without interruption. During the year there were 2,996 referrals to the hospice and the patient services teams undertook 89,817 patient and carer related consultations.

The hospice has had an average active caseload of around 635 patients at any one time over the last year. Whether care and support services are being delivered at the hospice in Wroughton or in the community, such as in a patient's own home, the care provided has made a difference to patients and those that matter to them. This was expressed by patients and families from their feedback, including:

Malcolm

"We were introduced to Prospect Hospice and that was the day everything changed for us. Before then we felt that everyone we met had been treating the illness. Finally, we felt they were treating Angie, the person.

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"This was a place for making memories and the team arranged for us to have use of the beautiful garden room for an afternoon. The whole family came, including our nine grandchildren. We ordered pizza and watched a film. The children were each given a unique patchwork blanket to snuggle under and, to our delight, they were allowed to keep them to remember this special time.

"During her month in the hospice, Angie received second to none medical care. I never left her side until she died on 3 February earlier this year. She was just 59.

"I was struggling and felt I had nowhere to turn. Fortunately, Louise from the Prospect Hospice bereavement team stepped in to provide very much needed support in coping with grief throughout my tough time self-isolating. Although we've not been able to meet in person, I really do not know what I'd have done without her.

"Prospect Hospice was there for my dear wife and family even during the pandemic. I can never thank them enough for their all-encompassing support."

Chris

"Prospect Hospice is the most reliable service helping me through this. They have been an ever-present support for me and my family, just knowing that they are there.

"I started going to day therapy, and took part in sessions that helped me manage my breathing better, and classes about how I could exercise and a session on nutrition and how that could help me live life with my condition. I felt energised. I made friends with people who knew what I was going through and we were able to help and advise each other.

"Knowing that Prospect Hospice is there for me has been a huge support. If I need their help, they're there. If they say they'll do something, they do it. They're like an old friend – and you really know who your friends are when you're ill."

Claire

"Dad was a very proud man, and the thing that was most important to him was keeping his dignity. Every single one of the staff were lovely with him, and made sure that he was able to remain dignified throughout the time he was there. It really is an amazing place, and the people there were like family to him, helping him stay calm and still feel good about himself."

Clare

"Prospect Hospice was incredibly caring and supportive of Claire and the family, and the staff there were determined the time she had left would be as lovely, and normal, as possible.

"When it was her husband Paul's birthday they brought out banners and cake in Claire's room to help them celebrate.

"It was never any problem how long visitors stayed, and in the last few days before Claire died we were able to take her out into the hospice's lovely garden and enjoy the sunshine together.

"The atmosphere was as far from a hospital as you can get, and we are so very lucky in this area that if we or our loved ones ever need end-of-life care, we've got this fantastic service and no one has to pay a penny for any of the care received."

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Sharon

“It was absolutely amazing in there – it didn’t feel like an end-of-life facility at all. It felt more like a five-star private hospital, but with really specialist care. It didn’t feel gloomy or sad, but a really nice place for Claire to be.

“She could be wheeled out into the lovely garden there – Paul even brought their cat in to see her. My husband Brendan, Claire’s brother, used to have to visit pretty late in the evening, around 9.30pm, but that was never an issue at all. All those things might seem like small things, but they were actually really important and made Claire’s last days as good as they could be.

“It was hard for everyone – she was only 44 when she died and their sons were just 15 and 18 at the time – so the fact that Claire and the family were so well cared about really helped.

“We are all so, so lucky to have Prospect Hospice in Swindon. It’s not only free for everyone, but the standard of care and the consideration patients and their families get is fantastic. Not every area in the country has a community hospice like we have, so we should never take it for granted.”

Investing in staff

The ASPIRE values that were introduced last year have helped the hospice deal with the challenges of the pandemic and the subsequent restructuring. Staff are proud of these values, which were created by them (not management) and against which everyone in the hospice is measured, up to and including the board. The staff forum has continued its great work in other areas, helping to resolve day to day matters for staff to support change and inclusive team working.

The trustees and executive team have not stood still with the continued development of the organisation either. A new pay structure has been put in place which brings clinical staff much closer to NHS pay scales. This will remove the disadvantage that the hospice has had when competing for nurses in the local area. The positive staff survey in the autumn highlights how far the culture among staff has changed in the last three years and the restructure has meant that there is also much more opportunity for collaborative working.

As the ASPIRE values embed themselves and mature, the executive team has initiated an equality, diversity and inclusion programme, with one of the trustees acting as a sponsor and getting directly involved in the definition of the programme. This work seeks to ensure that the hospice represents all parts of our community, and that everyone’s contribution to the running of services is valued.

Innovation and adaptation

Prospect Without Walls (PWW) is a new way of the hospice working in, and engaging with the local community, and that kicked off this year. The planning and structural work has all been done, and full benefits will start to be seen now that everything is starting to open up again. The hospice will continue to connect with the community through shops and events and through giving care where needed, but the intention of PWW is to engage more directly with more of the community. Through PWW the hospice will run courses, provide therapy and run events that will all seek to help people directly, as well as educate people on what the hospice does and the services it provides.

The NHS commissioning structure has changed this year with the amalgamation of the BaNES (Bath and North East Somerset), Swindon and Wiltshire CCGs into the single BSW ICS (Integrated Care System) End of life care is an area of care where BSW wants a consolidated approach that delivers the same level of care to the whole population of BSW.

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A body has been set up to oversee this on behalf of BSW, and the chief executives of Prospect Hospice, Dorothy House and Salisbury Hospice are joint chairs of this group. As such, the hospice is well positioned to be able have a strong voice and to influence future service delivery for the population of Swindon and NE Wiltshire.

One major area of improvement in the board has been the engagement of trustees at all levels of the organisation through a buddying programme, although it had to be scaled back because face-to-face visits were curtailed for most of the year. A new board framework was also put in place to provide more assurance and this has helped the board to focus attention on the most important issues. The framework enables information to flow upwards and downwards through the organisation and to be reviewed by trustees at specialist committees and board meetings.

The pandemic has seen a reduction in the number of hours that volunteers have been able to work. Some have been self-isolating, whilst those who volunteer in shops have been unable to work while shops were closed. It was also important to keep the number of people coming into the hospice to an absolute minimum in order to reduce the risk of infection. The trustees and executive team recognise the tremendous value that volunteers bring and as infection rates fall across the country, the hospice will be making sure that they feel it is safe for them to return when they are ready.

Investing in new technology

As with most organisations above a certain size, the hospice has to make ongoing investments in technology. The journey to switch our patient management system from Crosscare to SystemOne began this year. This system will enable direct links with all GP surgeries in the area.

Another new system being implemented is Vantage. This is being trialled across the retail operation prior to roll out across all the hospice's service departments. This is an essential part of improving the management of risk, enable real-time reporting, and will ultimately be used in every department and provide trustees with an additional tool for monitoring how effectively the hospice is mitigating those risks.

a. GOING CONCERN

The trustees are satisfied that the charity is able to continue as a going concern and the accounts have been prepared on this basis. In assessing going concern the trustees have taken into account the following:

- **Net assets supported by general reserve fund levels**

The net current asset value at the balance sheet date was £582k, however within fixed assets is the investment portfolio of £3,565k, of which £50k is held as cash and the remaining balance can be liquidated to cash if necessary at short notice.

- **2021/22 budget and long term financial plans**

The Covid-19 pandemic has had a significant impact on the income generation activities of the hospice since March 2020 creating a level of uncertainty not previously experienced. The uncertainty for the economic timeline of recovery both at a macro and micro level has been a key driver of the financial scenarios developed for 21/22 and beyond.

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Through the financial modelling it became clear that the next 12 -18 months would continue to be very challenging. The hospice delivered its cost reduction programme in 20/21 reducing operating costs from £9.1m to £7.4m, with the new annual cost base for 21/22 of £7.5m. At this level of expenditure the hospice would have achieved its plans of being back at a balanced budget for the start of 21/22. However given the impact on income recovery as a direct consequence of the pandemic with income from normal sources for 21/22 being estimated at £5.8m versus normal income level of £7.5m and no further government assistance, the hospice has budgeted a financial deficit of £1.7m (£1.5m cash) for 21/22.

To fund this deficit whilst protecting reserves and to enable income streams to recover, the hospice decided to seek financial borrowing for the sum of £1.5m through the CBILS scheme. This funding was secured in June 2021 from HSBC and was received in mid July 2021. The term is 6 years, but repaid over 5 years as there are no repayments in the first 12 months. The interest on the loan from month 13 is at 3.99%. The loan is a legal mortgage with HSBC and under the terms of the mortgage the bank has a fixed and floating charge over the hospice assets. There is a legal charge over the value of the hospice land based on the historical cost of the land as at the balance sheet date 31 March 2021.

In securing this finance the hospice had to provide the bank with detailed financial forecasts including cash-flow for a 5 year period from 21/22 as part of the bank due diligence processes.

As stated above, the next 12 - 18 months is critical in rebuilding our income streams. With the relaxing of lockdown restrictions the first 6 months will be key to establishing the speed of the recovery to enable the hospice to take the necessary financial and operational actions to ensure that the hospice remains financially sustainable in both the short and longer term.

In the first quarter of the financial year post the lifting of lockdown restrictions on the 12th April, retail and fundraising income is ahead of the budget by £200k and costs are down on budget by £65k. The legacy pipeline has grown to £900k, which is £350k higher than the legacy income target for the year.

Detailed discussion of financial performance including forward looking rolling forecasts and any changes in the financial outlook are undertaken at the Finance & Income Generation Committee on a quarterly basis and escalated where necessary to the full board of trustees.

▪ **Cashflow**

The long term financial modelling for cashflow has taken into account the loan finance repayments from 22/23. The receipt of the cash from the loan finance in July 2021 will bridge the 21/22 deficit driven by the shortfall in income as a consequence of the pandemic. It will also ease the pressures from cash timing variances particularly relating to legacy income which is notoriously difficult to predict.

Cashflow is closely monitored by the finance team on a daily, weekly and monthly basis. A rolling 18 month forecast for income and expenditure and cashflow is also updated regularly. Any cause for concern can be highlighted and flagged for discussion and corrective measures to be taken.

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▪ Fixed assets

In addition to the fixed asset investments that can be easily liquidated into cash the hospice is also fortunate to own its land and buildings and also has investment land. This has enabled the hospice to secure the CBILS loan as outlined above. There are no material capital investments the hospice is planning to undertake at this time.

b. PRINCIPAL RISK AND UNCERTAINTIES

The principal risks and uncertainties identified by the trustees are:

- Loss of reputation resulting in stakeholders losing confidence in the organisation.
- Loss of external funding such that the charity is unable to fund delivery of services.
- Closure of services due to damage to buildings, severe weather or loss of IT systems.

c. FINANCIAL OVERVIEW

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

The result stated on page 21 is a net income of £373k compared to a net cost of £1,621k in the previous year. This result depicts the continued pressures on all streams of voluntary income impacted by the Covid-19 global pandemic offset by the special government Covid-19 support grants. There was also a net gain on investments of £651k in the year. The community has continued to support the hospice as much as was possible in an exceptionally tough year.

Incoming resources

As set out on page 21, total incoming resources, including income from charitable activities, was £7,125k for the year (£7,261k in 2019/20).

Resources expended

Prospect Hospice's expenditure on a recurring basis (set aside) to provide care and support for patients, families and carers has decreased by £1,297k over the previous year. Expenditure in generating fundraising income was down on the previous year as a direct consequence of the lower fundraising income.

d. RESERVES POLICY

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

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

As outlined in the financial statements as at 31 March 2021 general reserves were £5.8m. Of this total £1.3m relates to unrestricted fixed assets. General funds have increased during the year by £0.5m.

The reserves policy also allows for the designation of funds at the trustees discretion. As at 31 March 2021 designated funds were unchanged from 2019/20.

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e. MATERIAL INVESTMENTS POLICY

The trustees have taken note of the guidance given by the Charity Commission in their booklets “Charities’ Reserves (CC19)” and “Trustee Act 2000”. As at 31 March 2021 the investment portfolio had a market value of £3.6m (2020 £3.4m). The investment strategy is set out below:

- The hospice seeks to produce the best financial return on investments within an acceptable level of risk.
- The hospice adopts a total return approach to investment for its general fund portfolio, generating an investment return from income and capital gains or losses. It is expected that if in any one year the total return is insufficient to meet the budgeted expenditure, in the long term the real value of the fund will still be maintained in accordance with the investment objective above.
- The investment objective is to generate a total return of inflation plus 4% per annum over the longer term, after expenses. The hospice does not set a specific target income level. Income from the long-term general fund will be used to fund the activities of the hospice. An expected level of income will be agreed with the investment managers on an annual basis to enable effective budgeting.
- The general portfolio is to be invested in a diversified portfolio of assets according to the strategic allocation ranges that are to be set and regularly reviewed by trustees.
- A key risk to the long term sustainability of the hospice is inflation, and the portfolio should be invested primarily in equities to mitigate this risk over the long term. The trustees understand that when investments are concentrated primarily in equities, the capital value of the portfolio will fluctuate.
- The trustees are able to tolerate volatility of the capital value to the long-term general fund portfolio, as long as the hospice is able to meet its short term spending commitments through their income or liquid capital assets. The trustees understand that the main portfolio might lose up to 30% of its value over 12 months due to market volatility (based on the initial strategic asset allocation and historical data for the respective investment instruments). Such a loss is generally expected to be recovered over time through the investment cycle. Trustees will require the investment managers to control volatility of the main portfolio, which should not exceed 70% rate of volatility of the global equity market (measured as FTSE All World Index).

Additionally £452k is held as investment land as at 31 March 2021, this valuation is unchanged from March 2020.

Restricted funds are held in accordance with the accounting policy which is set out on page 25 .

Structure, Governance and Management

a. CONSTITUTION

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

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

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The charity has a wholly owned trading subsidiary, Prospect Hospice Trading Limited, which is a retailer of new goods and operates the café within the Hospice. The subsidiary company produced a trading loss of £1k in the year.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

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

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

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

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

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

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

c. PAY POLICY FOR STAFF

Following approval by the board of trustees a new pay structure for all staff was planned to be implemented in the second half of the 2020/21 financial year. This was partially delayed due to the pandemic but will be implemented from 1 April 2021. Employees are paid at market rate within a tolerance of plus/minus 5% of the median quartile. This tolerance creates a competitive salary range.

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

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

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

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

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

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

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

e. RISK MANAGEMENT

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

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

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

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

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

f. FUNDRAISING

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

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

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

During the year we employed one professional canvassing agency for door to door canvassing for our hospice lottery. We did not employ any telephone marketing agencies.

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

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

We have a supporter promise on our website.

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

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

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

We have a complaints procedure and all complaints are recorded. In 2020/21 we received 13 complaints out of a total of 19,622 donations made by individuals and organisations that supported Prospect Hospice during the year.

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

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

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

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

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

Plans for future periods

Securing the financial future of the hospice is the highest priority. This means not only getting the shops re-opened and restarting big fundraising events (when it is safe to do so), but also to continue to grow and diversify existing and new income opportunities, some of which were being researched and trialled during the pandemic.

The hospice has been fortunate to have had a good level of retained reserves, and these have helped to address the shortfall between income and expenditure, which is their purpose. However, the hospice has been running a financial deficit since 2018/19 financial year and it is essential that it returns to a balanced and sustainable budget within as short a timeframe as possible. The target is to achieve this by 2022/23 but this is highly dependent upon voluntary income streams returning to pre Covid-19 levels.

The hospice cannot survive without the support of the community and initiatives like Prospect Without Walls (PWW) will bring the organisation closer to them. Last year the plans had to slow down due to the pandemic but everyone is excited about the new programme and looking forward to new engagement activities.

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The hospice's current strategy comes to an end in 2022 and the pandemic has only increased the need for a fresh look at the purpose of the hospice and how it best serves the community. Trustees recently held a strategy session to begin this next phase and work will continue throughout the coming year. Staff, volunteers and members of the community will all be consulted on how they think the hospice needs to develop over the coming three years and beyond.

The new BSW structure has formed quickly and it will be a big area of focus for trustees and the executive team in the coming year, not least to ensure that the hospice can satisfy commissioners in the services delivered and the outcomes achieved, but also in the coordination with neighbouring hospices to provide the same level of care across the area. Thanks to the strong position of influence held within BSW for end-of-life care, the board is hopeful that the hospice continues to have control over its destiny with commissioners.

The trustees and executive team are grateful for the CQC for prioritising a full inspection in July 2021, and we hope that it will confirm the massive amount of change that the hospice has gone through over the past three years. A change to the rating will be the formal sign that the charity is now a well-led, healthy, effective and efficient organisation, but also an organisation that provides its services in a caring and compassionate way.

There will be further strengthening of the board this year with the appointment of trustees who have a wide range of governance experience. All trustees are volunteers and their workload has increased dramatically over the past three years, especially in work done outside of board and committee meetings. They have all risen to the challenge and helped to guide and support the executive team in what they have achieved for the organisation and are thanked for all of their dedication, insight and support.

Finally, in the coming year, the chair of the board, David Barrant, will be standing down after giving over ten years devoted service to the hospice. David is proud to have served as chair through what has been a challenging period of time. His fellow trustees and the executive team thank him on behalf of everyone at the hospice for his service and contribution. The hospice has come a long way in the past three years and coped with difficult and unprecedented circumstances but there is a lot more still to be done, especially in the area of board development. David's successor, Robin Bailey, will have the opportunity to devote more time to the strategy and to ensuring that the hospice is financially and operationally fit to face the next forty years.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

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

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

Disclosure of information to auditor

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

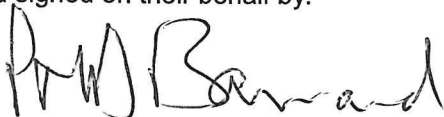
- So far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- That trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable group's auditor in connection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

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

Auditors

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

This report, including the strategic report, was approved by the board of trustees on 12 August 2021 and signed on their behalf by:



David Barrand - Chair

Independent auditors' report

To the members of

Prospect Hospice Limited

Opinion

We have audited the financial statements of Prospect Hospice Limited (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, consolidated and parent balance sheets, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Independent auditors' report

To the members of

Prospect Hospice Limited

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the trustees

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

Our responsibilities for the audit of the financial statements

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

Independent auditors' report

To the members of

Prospect Hospice Limited

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

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

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

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

(3) We inspected the minutes of trustee meetings.

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

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

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

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

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

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

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

Independent auditors' report

To the members of

Prospect Hospice Limited

Use of our report

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



Date: 23 August 2021

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:
GODFREY WILSON LIMITED
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Prospect Hospice Limited

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

For the year ended 31 March 2021

	Note	Restricted £000	Unrestricted £000	2021 Total £000	2020 Total £000
Income from:					
Donations and legacies	3	114	1,249	1,363	2,478
Charitable activities	4	3,732	910	4,642	2,159
Other trading activities	5	-	1,103	1,103	2,561
Investments	6	-	17	17	63
Total income		3,846	3,279	7,125	7,261
Expenditure on:					
Raising funds:					
Voluntary income		-	560	560	642
Fundraising trading		-	1,903	1,903	2,246
Investment management		-	14	14	13
Charitable activities		3,986	940	4,926	6,223
Total expenditure	8	3,986	3,417	7,403	9,124
Net expenditure before investment gains		(140)	(138)	(278)	(1,863)
Net gains on investments		-	651	651	242
Net movement in funds	9	(140)	513	373	(1,621)
Reconciliation of funds:					
Total funds brought forward		1,645	5,269	6,914	8,535
Total funds carried forward		1,505	5,782	7,287	6,914

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 23 to the accounts.

Prospect Hospice Limited

Consolidated balance sheets

As at 31 March 2021

	Note	The group 2021 £000	The group 2020 £000	The charity 2021 £000	The charity 2020 £000
Fixed assets					
Tangible assets	12	2,688	2,878	2,688	2,878
Investment property	13	452	452	452	452
Investments	14, 15, 16	3,565	3,364	3,565	3,364
		<u>6,705</u>	<u>6,694</u>	<u>6,705</u>	<u>6,694</u>
Current assets					
Stocks	17	54	71	54	53
Debtors	18	861	957	942	1,005
Cash at bank and in hand		670	696	587	665
		<u>1,585</u>	<u>1,724</u>	<u>1,583</u>	<u>1,723</u>
Liabilities					
Creditors: amounts falling due within 1 year	19	1,003	1,504	1,001	1,503
Net current assets		<u>582</u>	<u>220</u>	<u>582</u>	<u>220</u>
Net assets	22	<u>7,287</u>	<u>6,914</u>	<u>7,287</u>	<u>6,914</u>
Funds					
Restricted funds	23	1,505	1,645	1,505	1,645
Unrestricted funds:					
General funds		5,782	5,269	5,782	5,269
Total charity funds		<u>7,287</u>	<u>6,914</u>	<u>7,287</u>	<u>6,914</u>

Approved by the trustees on 12 August 2021 and signed on their behalf by



David Barrand - Chair

Prospect Hospice Limited

Consolidated statement of cash flows

For the year ended 31 March 2021

	2021 £000	2020 £000
Net cash provided by / (used in) operating activities		
Net movement in funds	373	(1,621)
<i>Adjustments for:</i>		
Depreciation charges	206	277
(Gains) / losses on investments	(651)	(242)
Dividends, interest and rents from investments	(17)	(63)
Investment management fees	-	13
Decrease / (increase) in stock	17	22
Decrease / (increase) in debtors	96	(604)
Increase / (decrease) in creditors	(501)	671
Net cash provided by / (used in) operating activities	<u>(477)</u>	<u>(1,547)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	17	63
Purchase of tangible fixed assets	(16)	(12)
Proceeds from the sale of investments	-	3,441
(Increase) / decrease in cash held in investment portfolio	450	(310)
Purchase of investments	-	(2,032)
Net cash provided by / (used in) investing activities	<u>451</u>	<u>1,150</u>
Increase / (decrease) in cash and cash equivalents in the year	(26)	(397)
Cash and cash equivalents at the beginning of the year	<u>696</u>	<u>1,093</u>
Cash and cash equivalents at the end of the year	<u><u>670</u></u>	<u><u>696</u></u>

Analysis of changes in net debt

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies

a) Basis of preparation

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

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

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

b) Group accounts

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

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. The trustees have taken into account the additional financial risk presented as a result of the Covid-19 global pandemic and are satisfied that the plans in place to mitigate this risk, including contingency planning and the receipt in July 2021 of loan financing of £1.5m, are sufficient. Further detail is provided in the trustees' annual report.

d) Income

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

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies (continued)

d) Income (continued)

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

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

e) Donated services and facilities

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

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

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

f) Interest receivable

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

g) Funds accounting

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies (continued)

h) Expenditure and irrecoverable VAT

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

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

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

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

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

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

i) Allocation of support costs

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

j) Tangible fixed assets

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

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

Items of equipment are capitalised where the purchase price exceeds £500.

k) Investment property

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies (continued)

l) Investments

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

m) Stock

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

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors

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

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Pension costs

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

s) Accounting estimates and judgements

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies (continued)

s) Accounting estimates and judgements

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

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

2. Prior period comparatives

	Restricted £000	Unrestricted £000	2020 Total £000
Income from:			
Donations and legacies	177	2,301	2,478
Charitable activities	2,149	10	2,159
Other trading activities	-	2,561	2,561
Investments	-	63	63
Total income	2,326	4,935	7,261
Expenditure on:			
Raising funds:			
Voluntary income	-	642	642
Fundraising trading	-	2,246	2,246
Investment management	-	13	13
Charitable activities	2,389	3,834	6,223
Total expenditure	2,389	6,735	9,124
Net expenditure before investment gains	(63)	(1,800)	(1,863)
Net gains on investments	-	242	242
Net movement in funds	(63)	(1,558)	(1,621)

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2021

3. Income from donations and legacies

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

Prior period comparative

	Restricted £000	Unrestricted £000	2020 Total £000
Donations	-	381	381
Prospect fundraising events	88	87	175
Community fundraising	-	231	231
Boxes income	-	85	85
Legacies	-	1,251	1,251
Trusts income	89	32	121
In memorium	-	234	234
Total donations and legacies	177	2,301	2,478

4. Income from charitable activities

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2021

4. Income from charitable activities (continued)

Prior period comparative

	Restricted £000	Unrestricted £000	2020 Total £000
Swindon CCG	1,288	-	1,288
Wiltshire CCG	324	-	324
Great Western Hospitals NHS Foundations Trust	386	-	386
Health England (GPST1 doctors funding)	135	-	135
Swindon Borough Council	16	-	16
Education and training income	-	3	3
Other	-	7	7
Total charitable activities	2,149	10	2,159

5. Income from other trading activities

	Restricted £000	Unrestricted £000	2021 Total £000	2020 Total £000
Shops and retail	-	596	596	1,998
Lottery income	-	498	498	510
Catering income	-	9	9	53
Total other trading activities	-	1,103	1,103	2,561

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

6. Investment income

	Restricted £000	Unrestricted £000	2021 Total £000	2020 Total £000
Income from investment portfolio	-	17	17	62
Income from cash held at UK banks	-	-	-	1
Total investment income	-	17	17	63

All investment income was unrestricted in the prior year.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2021

7. Government grants

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

8. Expenditure

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2021

8. Expenditure (continued)			
Prior year comparative	Direct costs £000	Support costs £000	2020 Total £000
Raising funds			
Costs of generating voluntary income	<u>425</u>	<u>217</u>	<u>642</u>
Fundraising trading			
Costs of goods sold in shops and café	63	2	65
Lottery prizes and overheads	165	12	177
Retail costs	<u>1,395</u>	<u>609</u>	<u>2,004</u>
	<u>1,623</u>	<u>623</u>	<u>2,246</u>
Investment management			
Investment management fees	<u>13</u>	<u>-</u>	<u>13</u>
Charitable activities			
In-patient unit	1,919	695	2,614
Community care	1,339	437	1,776
Care at Great Western Hospital	165	58	223
Influencing and education	939	448	1,387
Governance costs	<u>223</u>	<u>-</u>	<u>223</u>
	<u>4,585</u>	<u>1,638</u>	<u>6,223</u>
Total expenditure	<u>6,646</u>	<u>2,478</u>	<u>9,124</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2021

9. Net movement in funds

This is stated after charging:

	2021	2020
	£000	£000
Depreciation	206	277
Operating lease payments	309	342
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit (including VAT)	12	10
	<u>12</u>	<u>10</u>

10. Staff costs and numbers

Staff costs were as follows:

	2021	2020
	£000	£000
Salaries and wages	4,864	5,691
Social security costs	412	404
Pension costs	335	347
	<u>5,611</u>	<u>6,442</u>

Included within salaries and wages above are termination and redundancy payments of £14k (2020: £55k).

	2021	2020
	No.	No.
Average number of employees	<u>185</u>	<u>206</u>

Full time equivalents:

	2021	2020
	No.	No.
Medical	6	3
In-patient nurses	17	25
Community care	29	39
Care at Great Western Hospital	3	5
Influencing and education	1	1
Catering and housekeeping	6	6
Income generation	49	47
Facilities and reception	2	2
Admin and support	21	21
Management	7	7
	<u>141</u>	<u>156</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2021

10. Staff costs and numbers (continued)

During the year, bank staff employed by the hospice are used to cover short term absences, vacancies and training. When bank staff are not available external agency staff are then used. Total payments for bank staff made through the payroll in the year was £351k (2020: £314k).

At 31 March 2020 there were 31 members of the NHS pension scheme (2020: 43), and 131 members of the Royal London Group Personal pension plan (2020: 138).

The number of higher paid employees was:

	2021	2020
	No.	No.
£60,001 - £70,000	2	3
£70,001 - £80,000	2	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£190,001 - £200,000	1	-
	<u>6</u>	<u>5</u>

The total emoluments, including termination, redundancy and other restructuring fixed term contractual payments, paid to key management personnel (6.0 FTE) for the year was £470k (2020: 5.7 FTE £587k). Pension contributions for these employees amounted to £23k (2020: £22k).

11. Taxation

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

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Notes to the financial statements

For the year ended 31 March 2021

12. Tangible fixed assets: group and charity

	Hospice land and buildings £000	Leasehold improvements £000	Equipment for care and support £000	Other equipment and vehicles £000	Total £000
Cost					
At 1 April 2020	4,242	217	423	976	5,858
Additions	<u>6</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>16</u>
At 31 March 2021	<u>4,248</u>	<u>217</u>	<u>428</u>	<u>981</u>	<u>5,874</u>
Depreciation					
At 1 April 2020	1,594	182	362	842	2,980
Charge for the year	<u>101</u>	<u>7</u>	<u>34</u>	<u>64</u>	<u>206</u>
At 31 March 2021	<u>1,695</u>	<u>189</u>	<u>396</u>	<u>906</u>	<u>3,186</u>
Net book value					
At 31 March 2021	<u>2,553</u>	<u>28</u>	<u>32</u>	<u>75</u>	<u>2,688</u>
At 31 March 2020	<u>2,648</u>	<u>35</u>	<u>61</u>	<u>134</u>	<u>2,878</u>

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

13. Investment property: group and charity

	2021 £000	2020 £000
Market value at 1 April 2020	452	153
Unrealised gain on revaluation	<u>-</u>	<u>299</u>
Market value at 31 March 2021	<u>452</u>	<u>452</u>
Historic cost	<u>153</u>	<u>153</u>

The investment land shown relates to a share of land that was given in a legacy. The ownership of the land has been transferred into the names of the three beneficiaries of which Prospect Hospice is one. The latest valuation of the land was carried out on 31 March 2021 by Chesters Commercial. This concluded there was no material change in valuation. The remaining proportion of land is held at arable value. The trustees consider this a fair estimate of land value as at 31 March 2021.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2021

14. Investments: group and charity

	2021	2020		
	£000	£000		
Market value at 1 April 2020	3,364	4,533		
Additions	-	2,032		
Disposals proceeds	-	(3,441)		
Realised and unrealised gains / (losses)	651	(57)		
Investment management fees	-	(13)		
Cash movement	(450)	310		
	<hr/>	<hr/>		
Market value at 31 March 2021	<u>3,565</u>	<u>3,364</u>		
Historic cost	<u>2,464</u>	<u>2,464</u>		
Group investments comprise:				
	UK	Overseas	2021 Total	2020 Total
	£000	£000	£000	£000
Listed investments	<u>3,565</u>	<u>-</u>	<u>3,565</u>	<u>3,364</u>

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

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Notes to the financial statements

For the year ended 31 March 2021

15. Subsidiary undertakings

Prospect Hospice Trading Limited

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

	2021	2020
	£000	£000
Turnover	39	93
Cost of sales	<u>(38)</u>	<u>(61)</u>
Gross profit	1	32
Administrative expenses	<u>(2)</u>	<u>(30)</u>
Profit / (loss) on ordinary activities before taxation	(1)	2
Tax on profit / (loss) on ordinary activities	<u>-</u>	<u>-</u>
Profit for the financial year after taxation	<u>(1)</u>	<u>2</u>
<i>Changes in equity</i>		
Total retained profit brought forward	-	-
Total comprehensive income for the year	(1)	2
Gift aid distribution to parent charity	<u>-</u>	<u>(2)</u>
Total retained losses carried forward	<u>(1)</u>	<u>-</u>

The aggregate of the assets, liabilities and funds was:

	2021	2020
	£000	£000
Assets	85	53
Liabilities	<u>(86)</u>	<u>(53)</u>
Funds	<u>(1)</u>	<u>-</u>

16. Parent charity

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

	2021	2020
	£000	£000
Gross income	7,087	7,198
Results for the year	<u>373</u>	<u>(1,622)</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2021

17. Stock

	The group		The charity	
	2021 £000	2020 £000	2021 £000	2020 £000
Goods for resale	<u>54</u>	<u>71</u>	<u>54</u>	<u>53</u>

18. Debtors

	The group		The charity	
	2021 £000	2020 £000	2021 £000	2020 £000
Trade debtors	350	740	350	740
Amounts owed by group undertakings	-	-	84	51
Tax recoverable	45	76	42	73
Prepayments and accrued income	<u>466</u>	<u>141</u>	<u>466</u>	<u>141</u>
	<u>861</u>	<u>957</u>	<u>942</u>	<u>1,005</u>

19. Creditors: amounts due within 1 year

	The group		The charity	
	2021 £000	2020 £000	2021 £000	2020 £000
Trade creditors	1	48	1	48
Accruals	302	489	300	488
Other taxation and social security	103	103	103	103
Other creditors	19	44	19	44
Deferred income (see note 20)	<u>578</u>	<u>820</u>	<u>578</u>	<u>820</u>
	<u>1,003</u>	<u>1,504</u>	<u>1,001</u>	<u>1,503</u>

20. Deferred income

	The group		The charity	
	2021 £000	2020 £000	2021 £000	2020 £000
At 1 April 2020	820	67	820	67
Deferred during the year	578	820	578	820
Released during the year	<u>(820)</u>	<u>(67)</u>	<u>(820)</u>	<u>(67)</u>
At 31 March 2021	<u>578</u>	<u>820</u>	<u>578</u>	<u>820</u>

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2021

21. Financial instruments measured at fair value

	The group		The charity	
	2021 £000	2020 £000	2021 £000	2020 £000
Financial assets measured at fair value	<u>4,017</u>	<u>3,816</u>	<u>4,017</u>	<u>3,816</u>

22. Analysis of group net assets between funds

	Restricted funds £000	General funds £000	Total funds £000
Tangible fixed assets	1,416	1,272	2,688
Investment property	-	452	452
Fixed asset investments	-	3,565	3,565
Current assets	89	1,496	1,585
Current liabilities	-	(1,003)	(1,003)
Net assets at 31 March 2021	<u>1,505</u>	<u>5,782</u>	<u>7,287</u>
Prior year comparative			
Tangible fixed assets	1,558	1,320	2,878
Investment property	-	452	452
Fixed asset investments	-	3,364	3,364
Current assets	87	1,637	1,724
Current liabilities	-	(1,504)	(1,504)
Net assets at 31 March 2020	<u>1,645</u>	<u>5,269</u>	<u>6,914</u>

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Notes to the financial statements

For the year ended 31 March 2021

23. Movements in funds

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

Restricted funds

Building funds

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

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

General funds

The charity aims to keep at least 6 months of future operating costs as reserves to ensure a reliable and continuous service over the longer term. This enables us to absorb setbacks and take advantage of change and opportunity. The year end figure, excluding the balance held in fixed assets, represents approximately 6.5 months' worth of future operating expenditure.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2021

23. Movements in funds (continued)

Prior year comparative

	At 1 April 2019 £000	Income £000	Expenditure £000	Transfers between funds £000	Gains / (losses) £000	At 31 March 2020 £000
Restricted funds						
Building funds	1,570	-	(106)	-	-	1,464
Costs of equipment	130	-	(36)	-	-	94
Running costs	8	2,326	(2,247)	-	-	87
Total restricted funds	1,708	2,326	(2,389)	-	-	1,645
Unrestricted funds						
<i>Designated funds:</i>						
Fixed assets	1,117	-	-	(1,117)	-	-
Legacies	650	-	-	(650)	-	-
Committed expenditure	1,199	-	(389)	(810)	-	-
Shops refurbishment	230	-	(26)	(204)	-	-
<i>Total designated funds</i>	3,196	-	(415)	(2,781)	-	-
General funds	3,631	4,935	(6,320)	2,781	242	5,269
Total unrestricted funds	6,827	4,935	(6,735)	-	242	5,269
Total funds	8,535	7,261	(9,124)	-	242	6,914

24. Pension commitments

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

RL Scheme

The assets of the RL scheme are held separately from those of the charity in a separately administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £179k (2020: £173k).

NHS Scheme

The NHS scheme is a multi-employer defined benefit pension scheme. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reliable basis, the scheme is treated by the charity as if it were a defined benefit contribution scheme, in accordance with FRS 102. The pension cost charge represents contributions payable by the charity to the fund and amounted to £146k (2020: £161k).

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Notes to the financial statements

For the year ended 31 March 2021

25. Operating lease commitments

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

	The group		The charity	
	2021 £000	2020 £000	2021 £000	2020 £000
Amount falling due:				
Within 1 year	196	273	196	273
Within 1 - 5 years	341	529	341	529
Over 5 years	41	43	41	43
	<u>578</u>	<u>845</u>	<u>578</u>	<u>845</u>

26. Contingent assets

There are some legacies which have been notified to the charity at 31 March 2021 for which the amount receivable cannot be ascertained. These financial statements include payments received on account but not any estimates for future amounts receivable. Indications are that the estimated value of these potential legacies is in the region of £760k (2020: £184k).

27. Related party transactions

No members of the board of trustees received any remuneration for their services or received any reimbursement of expenses (2020: nil).

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

28. Post balance sheet events

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