

ST CATHERINE'S HOSPICE LIMITED

England & Wales · Charity number 281362

Details

Other names	ST CATHERINE'S HOSPICE, ST CATHERINE'S SPECIALIST PALLIATIVE CARE CENTRE
Status	Registered
Legal form	Charitable company
Company number	01525404
Registered	1980-11-02
Register	View on the Charity Commission register

Contact

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Activities

Objects: THE OBJECTS OF THE CHARITY ARE:1. TO ADVANCE RESEARCH AND EDUCATION IN PALLIATIVE AND END OF LIFE CARE;2. TO RELIEVE SUFFERING, PROVIDE COMFORT AND IMPROVE QUALITY OF LIFE FOR PEOPLE WITH PROGRESSIVE LIFE-LIMITING ILLNESS;3. TO RELIEVE THE SUFFERING OF PEOPLE FACING OR EXPERIENCING BEREAVEMENT BY THE PROVISION OF COUNSELLING.

Activities: St Catherine's Hospice is a charity dedicated to providing specialised end of life care, support and information to local people, their families, friends and carers. We are committed to helping people achieve the best possible quality of life, whatever their lifespan. All our care is free but only made possible thanks to the generosity of supporters and volunteers.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- East Sussex
- Surrey
- West Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£13,266,000	£14,155,000	£29,668,000	198
2024-03-31	£14,574,000	£13,192,000	£30,492,000	207
2023-03-31	£13,317,000	£11,154,000	£28,792,000	192
2022-03-31	£11,882,000	£10,255,000	£27,017,000	183
2021-03-31	£12,194,000	£10,780,000	£25,275,000	213

Trustees

Name	Role	Appointed
Countess Sally Jean De La Bedoyere		2025-06-10
Dr Tina Elizabeth George		2025-12-02
Elaine Susan McKinney		2025-06-10
Gary James Needle		2024-06-26
Gregory Andrews		2019-11-18
Jonathan Robert Ellis		2024-06-26
Julia Elliott		2024-06-26
Philip Alexander Ingleby		2020-11-30
Renee Hobson		2024-06-26
Stephanie Anne McAlpine		2025-12-02
Thomas Mark Lay		2024-06-26

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Accounts



**ST CATHERINE'S
HOSPICE**

**ST CATHERINE'S HOSPICE
ANNUAL REPORT AND ACCOUNTS
YEAR ENDED MARCH 2025**

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INTRODUCTION FROM THE CHAIR OF TRUSTEES AND CHIEF EXECUTIVE

The last financial year has undoubtedly been the most challenging for St Catherine's Hospice, both for the charitable organisation itself and for all those who work within and support it. We must begin therefore in thanking the entire staff team (including those who left us), our nearly one thousand volunteers and our many thousands of supporters for their engagement, dedication and commitment as well as for their patience as we have navigated this difficult year.



Philip Ingleby
Chair of Trustees



Giles Tomsett
Chief Executive

The facts that frame our financial challenges have been effectively highlighted by Hospice UK, by St Catherine's and are supported by many other commentators. Even with the welcome injection from government of £100M for English hospices, the sector is facing a period of retreat.

However, recognising the need to adapt to these changing circumstances and with the predicted increase in demand implicit with the aging population (including the recurring theme of care in hospital corridors), we have worked closely with our NHS Commissioners and service delivery partners (hospitals, GPs, Care Homes, District nursing services etc) within East Surrey and West Sussex to consider the future and reframe the model that the hospice moves to.

This confirmed the role for St Catherine's as a provider of specialist palliative and end of life care services and saw us scale back our more generalist provision which can be provided by GPs, district nurses and other NHS services. From these discussions, it remains evident that the future role and opportunities for hospices will be further amplified by the NHS Long Term Plan.

As we moved into the final period of our current organisational strategy (23-25), the year also saw us deliver innovation within integration of care, running a proof of concept delivering closer integration alongside our GP and district nursing partners within East Surrey. This demonstrated that partners working more closely and more effectively together are better able to manage the overall demand upon them and better able to deliver improved patient



outcomes. We would like to thank our innovation partners, First Community Health & Care and Dorking Health Care GP Federation for their support in this programme.

We are excited by this proof of concept and the prevailing opportunity integration offers to better sustain effective and efficient reach to all those who are dying across our geography – ensuring optimal care, support, compassion and understanding provided by the right service partner, from the right team at the right time and in the right place. An objective shared by the new government who aims to move more care from hospital into the community, developing the digital capability of the NHS and focusing more on prevention.

The last year has been heartbreaking for St Catherine's Hospice and all of its supporters. Many valued colleagues have left us due to restructuring which has seen services reshaped and reduced. However, we are heartened that our own innovation and the support of our partners offers opportunity to improve care, and potentially, help with hospice sustainability. We know too that the Government's plans to move more care into the community will offer hospices opportunity.

None of this could have been possible without all the donors and supporters who have stood by us over this last year for we saw such a tremendous uptick in donations after our story broke on BBC TV and radio in September 2024. A story that has since been amplified through coverage on ITV, Sky News and in national press (Guardian) and many local press stories – again underpinned by support from Hospice UK. A story that will likely run on more yet.

Alongside this fantastic and generous support, our own efforts to improve our financial picture are evidenced in our year end position. At the start of the 23-24 year we were forecasting a deficit position of approx. £2.3million. With cost saving measures implemented, opportunities realised, and income potential maximised, we have seen our year end position improve significantly, ending the year with a net deficit of £0.9m.

Whilst our financial situation remains a concern, throughout the year our care and support has remained of the highest standard and thanks to the shared efforts of the staff and management team alongside the valued support of so many within and outside of our hospice, we have bought ourselves the time to weigh the future - both to develop our role alongside a changing NHS and to ensure our sustainability thereby protecting local specialist palliative and end of life care for the future.

We are therefore delighted to soon to be introducing a new strategy (2025–2030) which will give emphasis to partnership working to deliver effective palliative and end of life care provision to all who need it including our own specialist contribution and we look forward to sharing this with you in the coming weeks. Thank you to all those staff, volunteers, patients, partners, commissioners and family members who have helped us frame our strategic aspirations as we must never lose sight of the fact that we are a much needed service without whom we would see a considerable drop in end of life care outcomes.

Philip Ingleby Chair of Trustees and
Giles Tomsett Chief Executive



OUR VISION

A world where everyone can face death informed, supported and pain free.

OUR MISSION

Pioneering standards in expert care and support for anyone facing death and bereavement.

OUR VALUES

Integral to all that we do:

Human

We treat people with understanding, patience, respect and above all dignity. We are the welcoming smile, the talk over a cup of tea, the human touch.

Courageous

We stand firm, we do not flinch in the face of hard news, but always with humanity, sensitivity and respect for our community.

Energetic

Whether we're out running a fun run or at the hospice greeting our patients, we bring the energy and the optimism to make the most of every day.

Connected

We are not an island, we thrive on partnerships and working with others, we believe we're better and stronger together.

Expert

We are looked up to by our community and peers as the organisation to go to for knowledge, training, best practice and latest techniques.

OUR STRATEGIC AIMS:

- **Provide a good death for everyone we care for**
- **Focus on wellbeing, including bereavement**
- **Develop models of care**

DELIVERING CARE

Successes in the year

- We transitioned to a new way of delivering our community service and over the summer, we ran a trial to test this idea. Since both the NHS and Central Government are focusing on *Neighbourhood working*, we teamed up with two Primary Care Networks in Surrey to run this proof of concept. We looked at ways to include St Catherine's clinical staff in primary care and district nursing teams to make better use of our skills in palliative and end of life care. The early results were promising, showing that this way of working can improve community care. We will put the new ways of working into practice over time.
- On our inpatient wards we took the decision to split our patient cohort and provide care across both of our wards. However, due to funding restrictions we continue to have 12 beds that remain unopened. As an organisation we are committed to finding a sustainable model that will allow the opening of these beds. To this end, we are currently exploring a number of options with the wider healthcare system and beyond.
- We supported the region's winter pressures management. During the winter period it is usual for the wider NHS to experience a period of high demand and to help support the NHS during this period, St Catherine's made available two additional beds.
- We have developed and launched electronic personalised care plans within the ward. At St Catherine's we recognise the importance of providing high quality specialist palliative and end of life care, whilst ensuring that we are protecting our patient data. To achieve this, our clinical systems team have, throughout the year worked tirelessly to establish an electronic patient care plan that provides a purely electronic method of recording the personalised care delivered to patients, whilst also ensuring that care is delivered to the highest standards.
- Working in a more collaborative way has enabled us to offer counselling within the local community. We provide a face-to-face counselling service which traditionally has been delivered at our Hospice. However, working collaboratively with other organisations has allowed us to deliver that service from within the communities we serve. We continue to work alongside other organisations to identify how we can best support each other in the delivery of wellbeing services.



- We continue to work with an external IPC (Infection Prevention Control) consultant to aide real time delivery of IPC guidance throughout the organisation. Our Hospice patients are frequently vulnerable and susceptible to illness and as such we take our IPC responsibilities very seriously. However, as a small organisation we are not always able to keep abreast of new and emerging outbreaks, or new techniques that maybe adopted by the wider system and linking with an external IPC consultant aides us in this preparedness.

Future priorities

- Continuing to develop and expand our community proof of concept. As previously mentioned, we found our proof of concept to be successful, but due to funding and readiness of the wider system we have not been able to fully implement the findings. However, we are committed to adopting neighbourhood working as the experts in our field to ensure the very best of care is delivered.
- The newly published NHS Long Term Plan will certainly help guide the way in which we develop clinically. More than ever, we must ensure that the service we provide to our community is aligned with the aspirations of the NHS to ensure that the very best of care (including more bedded provision) is delivered both now and into the future.



Our measurement and impact

- Healthwatch undertook a site visit and inspection from the perspective of the patient, publishing their positive findings on their website. Healthwatch is a health and social care champion who make sure that healthcare leaders and other decision makers hear the voice and use the feedback of services users to improve care. In 2024, Healthwatch for both Surrey and Sussex were invited by St Catherine's to visit our clinical facilities to undertake an audit and to produce a report of their findings to ensure that we are acting upon the voice of our patients. You can find the full report on their website: www.healthwatchwestsussex.co.uk
- Our latest CQC (Care Quality Committee) inspection was carried out in 2016 with an overall rating of "Outstanding". There is regular communication with CQC, and we worked with CQC to commission our new premises.
- We are accredited with CHKS (Comparative Health Knowledge System) whose framework informs our internal Quality Management System. CHKS is a provider of healthcare intelligence and quality improvement, providing external accreditation through a survey visit to our site. During their visit they met with staff and reviewed our policies and procedures to ensure that we meet their exacting standards. During the year St Catherine's Hospice were able to retain accreditation.
- We provide annual submissions to the NHS Data Security and Protection Toolkit to provide assurance that the hospice is practicing good data security, and that personal information is handled appropriately.
- A review of service provision and implementation of change within our community service was undertaken whilst successfully continuing to deliver excellent specialist care.
- 100% of families and carers were offered the VOICES bereavement survey.
- At St Catherine's we continue to be committed to infection prevention and control (IPC) as reflected in our recent audits, with an internal audit scoring 96% and an external audit by our IPC consultant scoring 97%.

"I love my role as a Healthcare Assistant. I find out about people's histories and caring for them is a privilege. I think here's a person at their most vulnerable time who needs someone to look after them and they're going to let me do that. "
Claire, Healthcare Assistant, Inpatient Unit

2,248 PATIENTS WERE
CARED FOR IN THE
COMMUNITY AND 321
IN THE INPATIENT UNIT



WE MADE 2,240 VISITS
TO PEOPLE'S HOMES
SUPPORTING IN PRACTICAL
CARE. THIS SERVICE ENDED
IN NOVEMBER 2024



WE PROVIDED 4,213 DAYS
OF INPATIENT CARE,
WITH AN AVERAGE BED
OCCUPANCY LEVEL OF 96%
AND AN AVERAGE LENGTH
OF STAY OF 16 DAYS



REACHING
THOSE WHO
NEED US



1,446 PEOPLE HAD SUPPORT
FROM OUR WELLBEING
TEAM (INCLUDING SOCIAL
WORK, SPIRITUAL CARE,
WELFARE, CARERS SUPPORT
AND COUNSELLING)



OUR COMMUNITY
TEAMS MADE 4,569
HOME VISITS AND 7,203
PLANNED TELEPHONE
CALLS TO PATIENTS



QUALITY AND EXPERTISE

Successes in the year

- Recognising the importance and value of the patient voice we have adopted several procedures that allow us to consider our service from a patient perspective. One such procedure was the introduction of 15 steps audits. Initially, carried out by staff, a wider group now conduct such audits including trustees. A 15 steps audit is a quality improvement tool that involves a small team walking through a healthcare setting to observe and gather qualitative feedback on the patient experience, focusing on first impressions and identifying areas for improvement.
- Implementation of the Vantage system, with 23 modules developed and introduced across the organisation. Vantage is an IT platform that allows us to either adopt pre-built modules or construct our own, which will support compliance, quality and governance. Additionally, this platform is the cornerstone of our compliments and complaints recording, investigation and reporting. This supports internal learning and development born from patient and carer feedback.
- We introduced a more focused workplan aimed at delivering and implementing a more robust information governance network whilst also employing an external consultant as Data Protection Officer to provide expert advice.

- Successful peer review of PSIRF implementation plan. PSIRF (Patient Safety Incident Response Framework) sets out the NHS's approach to building effective systems to respond to and learn from patient safety incidents. St Catherine's Hospice recognises the importance of the PSIRF initiative, and the quality team have spent much of 2024 in preparation for introducing the PSIRF principles. A peer review of our PSIRF methodology was undertaken and found to be in line with the expectations of the wider system.

Future priorities

- Working toward the implementation of PSIRF. We hope to introduce PSIRF fully through 25/26.
- To centralise all audits utilising the Vantage module to ensure better reporting and to provide assurance.
- Developing a patient voice project to address health inequality, EDI and real time patient feedback, in the moment.

The people we care for:



**61% HAD
A CANCER
DIAGNOSIS**



**MALE = 48%,
FEMALE = 52%**



**46% LIVE IN
SURREY AND
52% LIVE IN
SUSSEX**



**66% ARE 75
OR OVER, AND
5% WERE AGED
UNDER 55**



**100% OF PEOPLE
WE CARED FOR
RECEIVED AN
INDIVIDUALISED
ASSESSMENT AND
CARE PLAN**

OUR QUALITY ACCOUNT SUBMISSION

We are committed to transparency, accountability, and the highest standards of quality in all aspects of our operations at St Catherine's Hospice. This document encapsulates our dedication to fulfilling our responsibility to our patients, their families, our staff, and the wider community with integrity and diligence.

We pride ourselves on fostering an open and supportive culture where incident reporting and investigation are not only encouraged but embraced as integral components of our commitment to continuous improvement.

While this document provides comprehensive assurance, we particularly highlight key areas such as governance, clinical care, safety, and financial stewardship. By doing so, we aim to instil confidence in the reliability and effectiveness of our services. Through our robust governance processes, rigorous assessments, and continuous improvement initiatives, we strive to uphold the trust placed in us to ensure those we care for receive the exceptional care and support they deserve.



Review of Services

During 2024-2025 St Catherine's Hospice provided the following services:

- Inpatient Unit (IPU)
- Wellbeing
- Assessment and reviews in people's own homes and nursing homes
- Hospice at Home
- 24-hour advice line for healthcare professional, patients, friends/ family/ carers
- Counselling and Bereavement Support Services
- Therapies (Physiotherapy, Occupational Therapy)

However, it should be noted that after a period of consultation between April and November 2024, it has become necessary to:

- Restructure our Community service offering
- Close the Hospice at Home service
- Reduce the operational hours of the advice line for patient, friends, family and carers
- Restructure our Wellbeing and Therapies offering.

We have reviewed all the data available to us on the quality of care of these services.

St Catherine's Hospice has contracts of service with Surrey Heartlands Integrated Care System and Sussex Health and Care Integrated Care Board. NHS funding contributes approximately 43% of the costs of our charitable activities, equating to 30% of our total costs. The balance, is raised from the generous support of our communities through fundraising and retail activities, as well as legacy donations.

Participation in National Clinical Audits

St Catherine's Hospice was not eligible to participate in National Clinical Audits or any of the national confidential enquiries as they did not relate to specialist palliative care. To ensure that we are continually meeting standards and providing a consistently high level of service the Hospice has its own quality and audit programme in place which continues to evolve.

Participation in Local Audits

St Catherine's Hospice is committed to continuous improvement and ensuring the highest standards of care through rigorous auditing practices. Throughout 2024–2025, we conducted comprehensive audits across all our service areas, including clinical care, safety protocols, and operational processes. These audits are designed to identify areas of excellence, as well as opportunities for improvement, ensuring that we uphold our commitment to quality and transparency.

By systematically reviewing our practices and outcomes, we can implement evidence-based improvements and maintain compliance with regulatory standards. Our auditing process not only enhances patient safety and care quality but also supports our mission of providing compassionate and effective specialist palliative and end of life care.

Examples of audits undertaken in 2024–2025:

- Infection, Prevention and Control.
- Medicine Incident Review.
- Controlled Drug Audit.
- SystemOne (Clinical Systems) Access.
- Safeguarding Audit.
- Falls Incident Review.

Commissioning for Quality and Innovation (CQUIN) Payment Framework

As a third sector organisation St Catherine's Hospice is not eligible to participate in this scheme and therefore the income received in 2024–2025 was not conditional on achieving quality improvement and innovation goals through the CQUIN payment framework.

The Care Quality Commission (CQC)

St Catherine's Hospice is registered with the Care Quality Commission (CQC) to conduct the following legally regulated services:

- Treatment of disease, disorder, or injury.

Rated as outstanding, St Catherine's Hospice was last inspected in July 2016. More recently the CQC agreed to register the new Hospice facility without any required remedial actions. There are no conditions placed upon our registration and we have not been party to any special reviews or investigations under section 48.

During the last year, our focus has continued to be on ensuring that we are prepared for the new CQC regulatory approach and ensuring that our patients and their families receive safe, caring, responsive, effective, and well-led services.

We have processes in place to support a Care Quality Commission inspection if one were to occur as well as procedures in place to cascade any feedback and learnings via the senior management team, the learning development team, local managers and relevant trainers to ensure implementation of any changes that are required.

Data Quality

As an organisation we submit data to Hospice UK for benchmarking on an annual basis which contributes to their report that enabling comparisons between similar sized hospices and the entire sector.

Data generated by the organisation is subject to rigorous review.

Information Governance

Information governance is the framework and set of controls implemented to manage, protect, and utilise information effectively within an organisation, ensuring compliance, security, and efficiency in handling data.

The NHS Data Security and Protection Toolkit showed that the hospice was compliant in 2024. This is an online self-assessment tool that must be completed annually by all organisations that have access to NHS patient data and systems. It enables these organisations to measure their performance against the National Data Guardian's 10 data security standards and to provide assurance that they are carrying out good information governance.

Clinical Coding

St Catherine's Hospice was not subject to the Audit Commission's Payment by Results Clinical Coding Audit during 2023-2024. (This audit checked how accurately hospitals recorded patient treatments in 2023-2024, to make sure NHS trusts were reimbursed the right amount for the care they provided).

Patient Voice

At St Catherine's, we recognise the immense value that the 'patient voice' brings to the development and improvement of our services. It also helps us to identify which services best suit the community we serve. We collect patient experiences, alongside those of family members, friends and carers, through various methods. These include:

- Friends and Family feedback Survey.
- Hospitality Survey.
- Healthwatch Visit.
- 15 Step Auditing.
- A robust complaints and compliments process.

Surveys

Throughout their stay our patients, and their visitors have access to the hospitality survey via QR codes located throughout the public areas. This facility allows them to provide real-time feedback to emerging events whilst highlighting what is working well during their stay.

The Friends and Family feedback survey, is sent to the family or carer of a patient some 8 weeks after their death. The purpose of the survey is more specifically to seek feedback relating to the care provided to the patient whilst they had access to our services.

Healthwatch

Healthwatch are an organisation that was established under the Health and Social Care Act 2012 with the aim of understanding the needs, experiences and concerns of people who are using health and social care services whilst working toward the goal of enabling people to have a voice about their health and social care systems.

In 2024 St Catherine's invited both Surrey and West Sussex Healthwatch to conduct a combined inspection, which gave us constructive, patient focused feedback, providing a rich dimension to the feedback already gathered from the service users. This also helps to ensure that our organisation continues to strive toward providing excellent specialist palliative care in a safe and comfortable setting. Their report can be accessed via Healthwatch.

15 Step Audits

At St Catherine's we have introduced the 15 step audits which are based on the 15 Step Challenge Toolkit, originally developed by the NHS in 2012 and based on feedback of a mother who had said *"I can tell what kind of care my daughter is going to get within 15 steps of walking on to every new ward."* Through these audits, which are conducted by our staff and trustees, we are able to explore our various healthcare settings through the eyes of patients and relatives.

Robust Complaints and Compliments Process

We are committed to maintaining a robust complaints and compliments process as part of our dedication to excellence in patient care. Through our quality team and Vantage reporting system we are able to ensure that all feedback, whether positive or negative, is meticulously documented and analysed. Complaints are logged and investigated promptly, with the outcomes used to identify areas for improvement and enhance patient safety. Similarly, compliments are recorded and celebrated, reinforcing best practices and recognising the exceptional contributions of our staff. This continuous cycle of feedback supports our culture of learning and growth, helping us deliver the highest standard of care to our patients.

Being able to combine all these resources ensures we can support our staff to listen to patients and carers and understand the improvements that we can make whilst also expanding on what we do well.

“THE HOSPICE HAS HELPED ME TO LIVE A BETTER LIFE”

45 year old Marie shares how support from St Catherine’s has helped her feel more positive and determined.

“In summer 2022 I was feeling unwell but as a school teaching assistant I thought “I’ll be alright, I’ll wait until the summer holidays to get a doctor’s appointment.”

Doctors referred me to a rheumatologist incase I had arthritis but after looking at my tests the rheumatology consultant said, “this isn’t arthritis. This is something else. You need to go straight to hospital.” There I was diagnosed with plasma cell leukaemia and amyloidosis, a group of rare conditions where a protein called amyloid builds up in your body.

Suddenly life turned upside down

Scans showed the amyloidosis is in my heart, lungs and kidneys which are only functioning at 27%.

I’ve thrown as much treatment at my illness as I can, but I’ve had to stop now because of the impact to my kidneys.

St Catherine’s have been brilliant

When I came out of hospital after four months I wasn’t in a good place. All I could think about was the fact that I was going to have to leave my 15-year-old daughter and 18-year-old son without a mum.

I had counselling with the hospice which really helped. Now I’m concentrating on the now and on making memories with my family rather than worrying about what’s coming. That’s made me feel a lot happier.

I’ve also worked really hard physically with the hospice’s therapy team

Before I went into hospital I was fit and active but when I came out I couldn’t walk and I felt like I’d never be able to do anything again.

St Catherine’s therapy team gave me the motivation to think “this isn’t what my life’s going to be like. I can make it better”



With their help, I’m now able to get upstairs, sleep in my bed and use the toilet again which has made a massive difference to my self-esteem. The team have also helped me set other goals to work towards, which makes me feel more positive and determined.

One goal was to cook family dinners again

I can walk into the kitchen now and put on a casserole or make a lasagne so that when my husband and children come home dinner is waiting for them. Before I got ill, cooking the family dinner was something I took for granted, but it’s felt like such a big thing to cook again.

Having the hospice on my side makes such a difference

And the team has helped me to live a better life.

Before I found it too upsetting to talk about my illness or children. I felt like I’d given up a bit whereas now I haven’t. St Catherine’s have helped me to keep going. I want to be around for my children and husband for as long as I can so I’m going to keep fighting.”

INCOME GENERATION

Successes in the year

- We were grateful to receive support from across our community in response to news of the hospice sector financial challenge and the break in at our Community Hub Cafe.
- We were delighted to receive grant funding for awnings for each of the 24-patient gardens at the hospice, providing shade from the sun and enhancing our outdoor spaces for patients and their loved ones to enjoy.
- A team of 33 trekkers raised a staggering £160,000 by trekking for five days, covering more than 434 miles and over 4,386ft of elevation across the Saghro Mountains in Morocco.
- Our Dragon Boat event returned to the lake at Tilgate Park with double the number of corporate teams from the previous year (a total of 14), raising more than £27,000.
- Our flagship, annual event, the Midnight Walk in Horsham, this year attracted 750 walkers, raising over £110,000 for the hospice.
- With support from corporate and community partners, we collected more than 750 Christmas trees for recycling from Crawley, Horsham, East Grinstead, Redhill and Reigate, raising £11,245.
- Our Christmas Appeal successfully raised over £120,000. The appeal shared the story of Abi, an 18-year-old who received care at the hospice in Spring 2024.
- We launched 'Sponsor a nurse' as a way to attract new committed givers from across our community.
- We participated in a national legacy marketing campaign led by Hospice UK, aimed to raise the profile of hospices and the breadth of care that they provide. At a local level we used it as an opportunity to acquire new legacy pledges, to help support the future sustainability of our hospice.
- We were extremely grateful to receive gifts in Will donations from 45 people this year. Their thoughtful decision creates a lasting legacy, helping to make a meaningful difference for generations to come.

Future priorities

- We will continue to grow our voluntary income to support the charity through a particularly turbulent financial period and enable exceptional care for local people facing death and loss.
- We will give focus to the future acquisition of new donors to St Catherine's, adopting a test and learn approach to identify the most effective ways to attract these donors to the hospice, ensuring long term sustainability for our voluntary income.
- We will expertly steward our loyal supporters by delivering first class communications and engagement opportunities.
- Once the full results are known we will hopefully be taking our participation in the Hospice UK legacy campaign forward into next year.



Our measurement and impact

- With support from our incredible supporters, we raised £6.8 million to deliver our care services.
- For every £1 spent on fundraising activity we raised £4.09 including legacy donations.
- We are registered and regulated by the Fundraising Regulator and Gambling Commission and fundraise in accordance with the Charities Act.
- We received and managed 3 formal complaints in the year about our fundraising activity compared to 5 last year.

RETAIL

Successes in the year

- Our new East Grinstead shop has seen its first full year of trading and sales have increased by 100% when compared to our previous shop in the town. Gift Aid has increased 122% and we have signed up over 500 new donors to Gift aid. The shop has sold over 60 refurbished bikes which is nearly 40% of our total bike sales.
- We continue to see success in our Carfax shop in Horsham and sales have increased by a further 18% compared to last year. Over the first two years of opening, sales have increased by 123% and we have grown our invaluable volunteer numbers to over 65.

- We have added a small range of new goods this year which has tripled our new good sales (excluding Christmas Cards) to over £50,000. At present we are only looking at items that compliment what we do and are not already donated for example bamboo socks, umbrellas, handkerchiefs, greetings cards and gift wrap.

Future priorities

- We are continuing to build on the superstore model and are currently exploring options for a larger store in Crawley.
- We continue our focus on shop performance to maximise the net income return from each shop.

Our measurement and impact

- We saw a 16% increase in shop sales over the year.
- 3,000 people signed up to gift aid their shop donations.
- We sold over 178,000 items of clothing, over 63,000 books, over 6,700 items of furniture and electrical goods across our shops and much more!
- This means we saved over 3 million kg CO2 Emissions and over 1.6 million trees absorbing CO2.



“ST CATHERINE’S IS A MAGICAL PLACE”

Luke shares how the hospice helped his family create precious memories together.

“Clair was diagnosed with breast cancer that had spread to her liver in August 2023. When doctors told us there was nothing more they could do, Clair’s wish was to go to St Catherine’s. She didn’t want our home consumed by her illness because of our three children.

The hospice cared for Clair in such a dignified way

I remember she sent me a photograph saying “Look, I’ve had my hair done.” She looked gorgeous.

The nurses did her hair each morning, moisturised her and even let us move her bed into the garden so she could hear the birds singing and feel the warmth of the sun. I brought Benji, her house rabbit, to visit twice, and it was brilliant seeing him snuggle into her.

The hospice’s support allowed us to be a husband and wife again too

It wasn’t frowned upon when I snuggled in bed with Clair and the nurses really showed love towards our children too, making them special hot chocolates when they were unsure about seeing their Mum in the hospice.

Our family enjoyed the drinks trolley as well. One morning at 6.30am Clair suddenly woke up and said, “I want a rum and coke.” So out came the drinks trolley with the rum and coke! That moment became my favourite memory of her at the hospice. It’s another example of the personalised care that St Catherine’s gives.

Visiting Clair while trying to manage work and care for the children was overwhelming

But when things became too much, I could sit with a counsellor, cry and let everything out. The hospice offered me a support network I didn’t even know I needed. I call St Catherine’s a magical place because for Clair and I it was.



When Clair died at 41 it was the worst time of my life

All the things we’d planned for the next 40 years together were gone, but St Catherine’s cradled me to the point that I could think everything’s going to be alright.

Their bereavement counselling changed me in the most dramatic, positive way

I’m not overwhelmed by my feelings anymore. Initially, in my head I thought I’m a man I need to deal with Clair’s death in a manly way or hide my grief but speaking about things so honestly has made me stronger.

Counselling also gave me the courage to quit my old job and follow my dream of becoming a landscape gardener. Clair would have backed me. She’d be so proud of me for showing our children that you can do anything that you put your mind to.”

PEOPLE

Successes in the year

- We use a survey platform called Birdsong who benchmark various hospices across the country. 73% of our staff responded to our staff survey with the key organisational engagement figures below:

BIRDSONG KEY ENGAGEMENT INDICATORS	YOUR HOSPICE'S TOTAL AGREE SCORE	BENCHMARK
The Chief Executive and Leadership Team are committed to making the charity a great place to work	76%	75%
I feel like I am making a difference	91%	92%
I am comfortable being myself at work	88%	87%
My morale at work is high	60%	70%
I feel appreciated here	76%	72%
I am proud to work for this charity	91%	93%
I would recommend this charity as an employer	68%	77%
Overall Engagement Index Score 2024: St Catherine's Hospice	79%	81%

- We worked collaboratively with Sussex Hospices to ensure our shared Learning Management System is developed and provides an efficient, cost-effective way of managing all e-learning and face to face seminars.
- Delivered training to external delegates, along with offering placements to both students and experienced health professionals.
- Reviewed our induction process for both staff and volunteers and now offer a single programme which promotes our inclusive culture.
- Our wellbeing offering to our staff balances mental health, physical health, and financial offerings which includes: counselling and supervision available to all staff, all staff healthy meals, opportunity to buy and sell annual leave, 4x annual salary death in service benefit, weekly free Yoga and Pilates provided by a volunteer,

discounts in shops and restaurants, mental health first aiders, support in menopause and access to Health assessments.

- We capture EDI data across our staff and volunteers to better understand the diversity of our staff and are continually striving to be an inclusive organisation.
- We have introduced Freedom to Speak Up Guardians, in addition to our anonymous feedback platform to support staff raising concerns safely.
- We managed a difficult restructure across the organisation that saw us reduce our headcount by around 22% losing over 40 members of staff, with only 1 compulsory redundancy.



Future priorities

- Continued development on EDI, with a move for the organisation to level 2 Disability confident as an employer.
- Looking at different ways we can maximise support from our volunteers in valuable roles.
- Ensure our wellbeing offering remains current and relevant.
- Continue to work on our culture, including ensuring everyone has a voice, through the continued awareness of platforms available for speaking up and raising concerns.
- Streamlining our recruitment processes to reduce the need for paper.
- Launch of Oliver McGowan training for all staff on supporting and caring for people with learning disabilities.
- Continue to develop and deliver leadership and management bite size training modules to develop the skills of our managers, and aspiring managers.

Our measurement and impact

- Our labour turnover is running at an accumulative figure of 30% - this includes those who left under organisational change. The figure excluding those who left due to the change is 15.8% the figure for 23/24 was 17.53%.

- Our absence is 3.9% across the organisation.
- Staff statutory training compliance is 95%.
- 3 staff completed apprenticeships with 5 currently in progress.
- Our average weekly FTE's employed were 198 against 207 in the previous year.

Volunteering

- We have 989 active volunteers and recruited 305 across fundraising, retail and the hospice.
- We processed 720 enquiries from people wanting to volunteer.
- We introduced 11 additional new volunteer roles across all areas of the hospice including the Volunteer Christmas Tree Collector role. 49 tree collector volunteers supported the collection of more than 750 trees, raising £12,000.
- In total we have approximately 40 different volunteer roles across the whole organisation.
- We hosted our 2024 Volunteer Awards, celebrating the long service of volunteers achieving 5, 10, 15, 20, 25 and 35 years which totalled 370 years of support from those who reached these milestones.
- 117 of our active volunteers are under 25 years which equates to 12% of our active volunteer workforce.

BRAND AND MARKETING

Successes in the year

- We were proud to participate in a nationwide campaign “*This is Hospice Care*” with 143 other hospices across England, Scotland and Wales, to help create a surge in awareness, aimed at growing income from gifts in Wills. The campaign included a national TV advert, press coverage and organic and paid social media. We also utilised the national campaign to produce localised advertising at bus stops across our catchment area. Additionally, we developed new, engaging ways to reach audiences to promote the importance of gifts in Wills to our charity including creating a podcast advert and our a ‘bag for end of life’ tote bag in our charity shops.
- We delivered successful advertising campaigns including petrol pumps and bus adverts for the Midnight Walk 2024.
- We generated 14 pieces of national and local press coverage and 18 national broadcast pieces around the need for the hospice to make cost savings of £1.5 million. Following our service changes, we generated four pieces of national and local press coverage and one national broadcast piece on BBC South East Today.
- We welcomed MPs from across our catchment area to the hospice, to meet with our Chief Executive, and discuss the need for a sustainable government funding model.
- We changed our website server to a new, faster, green hosting website server called SiteGround.

Future priorities

- We will build our communications strategy underpinned by our new organisational strategy that will help us best raise awareness of our hospice and specialist services.
- We will continue to use data and insight to improve future communications and lead decision making. This includes; holding focus groups to refresh our bi-annual supporter newsletter, *Matters*, conducting testing on email communications and paid social media adverts and creating more channel specific social media content.

Our measurement and impact

- We achieved 4% net audience growth across our hospice social media channels and increased impressions across all channels by 36.5%.
- For our retail social media channels, we achieved 233% net audience growth and increased engagement by 42.8%.
- We saw a 627% increase in unique visitors to our Gifts in Wills webpage compared to the same time last year. The majority of visitors were during the national ‘This is Hospice Care’ awareness campaign.
- We continue to see a good open rate and click-through-rate for our supporter emails. Our email about the hospice funding crisis achieving an open rate of 51%, and a click-through rate of 7.25%, and our Christmas appeals achieved an open rate of 54% and a click-through rate of 10%.



INFRASTRUCTURE AND RESOURCES

Successes in the year

- The Site Services Team has adopted business as usual in 2024 within our new site with the facilities team now fully managing the new site.
- Feedback from patients and users is positive about the new environment particularly in areas created for patient care and we have established good links with our wider community and continue to grow stronger links with the immediate community of Woodgate.
- We have contributed to substantial cost savings and working more effectively to support each other across the organisation.
- We outsourced our IT services to IT solutions provider, Trident who support most hospices in Sussex, to ensure we were able to support the everchanging requirements of technology with a greater bandwidth of skills and support.
- This year we have addressed IT equipment which has become unsupported due to its age and have replaced our servers, aligning to reduced capacity requirements as we use more cloud-based applications. We have also replaced devices where we are unable to meet Windows 11 requirements.
- We have improved our IT resilience and security with Trident's support by reducing the number of internal and external vulnerabilities which are constantly monitored.

Future priorities

- Maintain and continue to build community networks and links with our Cafe and Hub whilst improving income and profitability.
- Embed quality management systems to support continuous improvement and compliance.
- Continual support to our Trading team to manage all things facilities related, improving retail aesthetics allowing the Trading team to maximise income generation.
- Continually develop and improve our site for patient comfort, to support sustainable development agenda.

- To move the organisation from server-based file storage to cloud-based Office 365 solutions through Sharepoint and OneDrive.
- To review our telephony system and ensure it aligns to our requirements.
- With government funding through Hospice UK we have the opportunity to optimise IT in support of our processes, driving efficiencies and income opportunities, allowing other funds to be directed more fully to patient care.

Our measurement and impact

- Carrying out regular meetings and monitoring with our site contractor has had a positive outcome on snagging issues, with only three remaining items from an initial list of 675.
- Maintained our 5-star food ratings at the main hospice site.
- 127 responses received from our public survey around our Cafe and Hub and 84% of respondents said the food was of an excellent or good quality.
- Improvements in our IT support over the year have led to a reduction in the number of tickets raised with our IT helpdesk.
- Data Security Protection Toolkit compliance.
- The procurement of modern catering equipment supports a more varied selection of menus, and new housekeeping equipment ensures compliance with IPC standards.
- Overwhelmingly positive feedback from patients and families enhances our reputation and our ability to raise funds from supporters.

"In a word, I feel safe. Beyond this, I feel very well cared for. This comes from the team's high level of expertise and dedication, of course but also from the easy banter and warmth that the team - all of them - engender with me, my family and even, my visitors."

Patient who stayed at our hospice over Christmas and New Year

OUR FINANCIAL PERFORMANCE 2024/25

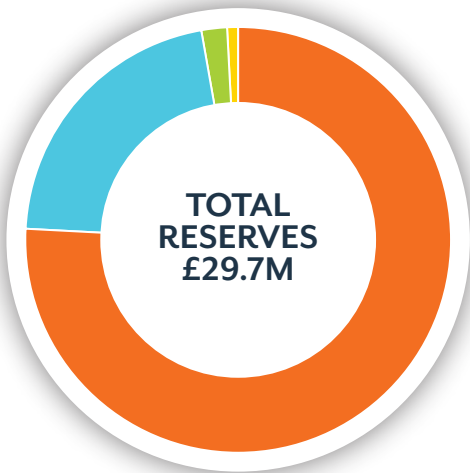
OPERATIONAL INCOME AND EXPENDITURE



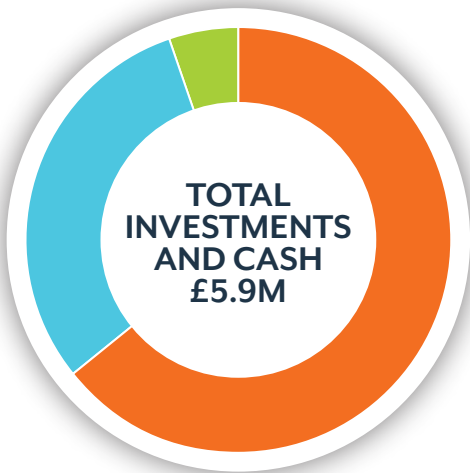
- £4.0m Charitable Activities
- £3.5m Donations
- £3.5m Trading Activities
- £1.7m Legacies
- £0.3m Other Income
- £0.2m Investment Income



- £9.3m Charitable Activities
- £3.1m Trading Activities
- £1.7m Donations



- £22.6m Unrestricted Fixed Assets
- £6.3m Unrestricted Free Reserves
- £0.6m Designated Funds
- £0.2m Restricted Funds



- £3.8m Investments
- £1.8m Cash & Equivalents
- £0.3m Current Asset Investments

Our budget for 2024/25 expected an operational deficit of £2.4m, which have worked hard in the year to mitigate.

We took the difficult decision in the early part of this financial year to carry out an organisational restructure, which also required changes in our service delivery model, with the removal of hospice at home and out of hours advice services for patients. We have seen some successes from this where we are now working in greater partnership with our local NHS neighbourhoods to deliver care to our communities. Overall, we removed over 40 posts, which has saved approximately £0.9m in the year – the associated severance costs of £0.4m were funded from our designated reserve.

We have also seen a significant increase of £1.0m in our Fundraising income across all strands of giving as we have developed our strategic priorities, as well as donations from our loyal supporters in response to our financial position and press coverage. Furthermore we have received some significant restricted donations in the year to support equipment and the care we provide. Further details can be seen in Note 20.

Our retail performance has improved with the continued success of our larger stores in Horsham and East Grinstead, although some of this success has been offset with a couple of unforeseen shop closures, which have required urgent repair.

Whilst our coffee shop and function rooms have seen income growth in the year, we still experienced a net deficit in the year. Whilst this was expected, the Senior Management Team and Trustees have reviewed the opportunities to improve this position with actions to be taken to ensure the profitability of the coffee shop and function rooms in the trading subsidiary.

We budgeted our legacy income prudently, based on a five year average and have seen income in the year at a similar level.

This year has also seen the benefit of Government Funding of £0.2m. This grant has enabled us to purchase IT equipment, being new servers to replace the existing equipment that will be unsupported from mid-2025 and new laptops to replace those that are not windows 11 compliant from 2025. The upgraded equipment will ensure we have up to date platforms, designed to support our transition to more cloud based solutions as we develop our systems to support patient care into

the future as well as saving costs of maintenance and support of outdated equipment. This grant has also supported the fit out of a new larger charity shop to add to our portfolio, which will improve our retail net income, to support our patients. We have also used the funding to enhance security at our hospice with further perimeter fencing and security gates to fire escapes to ensure patients and staff are safe, especially at night, as well as funding a sit on lawn mower to keep our gardens nice for patients and visitors to enjoy. In addition we have used this funding to provide equipment to support our patient care. Further details can be seen in Note 20.

We are still progressing the sale of our old site at Malthouse Road and expect completion of this in early 2026.

Our resultant net deficit was £0.9m in the year. Our free general reserves position was £6.3m as at 31st March 2025, after allowing for the pending asset disposal of Malthouse Road.



FINANCIAL OUTLOOK 2025/26

Operational Performance

Our budget for the financial year 2025/26 expects a deficit in the year of £1.4m moving our free general reserves position to £5.0m. This position assumes the completion of the sale of Malthouse Road and prudent forecasting of legacy income, which is in accordance with our five-year forecast. Despite our efforts to improve our financial position we will see additional costs of £0.3m as a result of Government changes to Employer National Insurance contributions as well as increasing payroll costs with cost of living awards in response to, but not aligned to, NHS increases, and improvements to the National Living Wage.

We are currently exploring opportunities to improve our budget for 2025/26 and will be actively aligning improvements implemented to our forecasts with a target to reduce the operational deficit by at least 30%.

FUTURE SUSTAINABILITY

There are three key areas of focus set out by the Trustees to ensure our strategic delivery is delivered in a financially sustainable manner and are reflected in our forecasts.

FOCUS AREA 1: RISK

Risk 1: Changes in population demographics and service need

As our population ages and those who are approaching end of life do so with a greater complexity of need, the demands on our services require enhanced skills for an increasing number of people, and without action we risk not being able to meet this need in a safe and effective way

In response, we built our new hospice and have expanded our teams to support this demographic change. We are cognisant that, in responding to this increasing need, we must ensure to make the best possible use of our expert clinicians, working in collaboration with health and social care colleagues working in primary, community and secondary care. We also need to work collaboratively in providing wellbeing support and signposting to other specialist and/or voluntary organisations where appropriate. Without this collaborative work, we cannot effectively respond to this changing and increasing need.

Risk 2: Our positioning in the healthcare system

We have a current reliance on inadequate NHS grants and poorly specified block contracts to support the delivery of our core services in the hospice and community. Compounding this statutory funding is not matched with appropriate annual inflationary increases. This, along with the agenda for change increases and doctor salary considerations in the NHS, results in a real time decrease year on year, impacting on our ability deliver our services and to recruit and retain key clinical roles.

Effective engagement with our statutory partners means that realistic forecasts are maintained whilst continuing to make the case for sustainable funding models. We are currently working to integrate with our system partners via a pilot which will roll out if successful to join services at PCN level, removing lengthy referral processes and having a joined-up approach to patient care. This approach will help us to identify a service driven cost model in an attempt to agree an efficient and sustainable funding formula for future contracting with the NHS.

Risk 3: The economic climate impact upon income generation

The current cost of living crisis in tandem with other world events has impacted not only our cost base but also our ability to raise funds at the level needed to support this cost base as the propensity for giving from our community of supporters has been impacted during this time. Our largest cost is our staff, which with the NHS agenda for change and National Living Wage impacts, annual inflationary salary increases have needed to be above those forecast.

We have been fortunate that the last few years we have seen pandemic government support, which has now ceased. Our financial position is modelled with a current and 5 year forecast process aligned with our monthly management accounts reporting and budget holder's review, additionally reviewed quarterly by our Board of Trustees. Income generation streams are routinely monitored and forecasts updated in line with market conditions. It is against this background that we now have to forecast revenue and consequently size our organisation to ensure future sustainability of the charity and core services.

Risk 4: Reliance on legacy income

A significant income stream for St Catherines, is that of legacies. However, its variable nature, requires prudent forecasting to ensure we are not over reliant.

Although legacies will remain an important part of our portfolio we have to adopt a conservative approach to any forecast. We are working on a revised legacy strategy, including being part of the Hospice UK national legacy marketing campaign and will begin foresight work shortly.

Risk 5: Poor leadership of the organisation

In the current operational environment, the lack of good leadership would lead to us being unable to navigate currently identified external factors, an inability to potentially identify and react to new risk factors in a timely manner and to provide adequate strategic thinking, direction and mitigations to ensure our future sustainability.

Our major control mechanism for this is the Integrated Governance Framework. Clear structures and transparent succession plans, allowing for open and effective utilisation of leadership resources across the organisation.

Risk 6 - Failure to meet regulatory requirements

Through ineffective leadership, training, monitoring or extraordinary circumstances that may lead to non-compliance recognised by external regulatory bodies, affecting our ability to operate our care services or fundraise.

A full suite of audit and compliance measures are in place, cognisant that cyber and intellectual property matters are now very much at the forefront of organisational compliance and security. The Information Governance structure is being bolstered by senior leadership focus and updated organisational roles alongside the ongoing regulatory assurance audits. Effective insurance is also in place to allow swift and effective access to support should any incidents occur.

FOCUS AREA 2: RESERVES

St Catherine's reserves policy is to maintain free reserves at a level that is sufficient to protect services from the potential financial impact of known significant risks over the short to medium term. The focus of this policy is aligned to Free

General Reserves as these reserves support operational activities.

The Trustees have agreed that in order to set a relevant free general reserves policy level which is in the charities best interests, a risk centered approach is most valid.

The Trustees recognise that as a healthcare organisation, the risk of full closure has always been low, given that alternative arrangements would be made to continue operations, which is addressed in our Business Continuity Plan. However, as we emerge from the pandemic and navigate the current cost of living crisis, complacency in this regard would be foolish. We have therefore adapted our policy to include the scenario where insolvency and redundancy for all staff is modelled and sits firmly in our strategic risk register.

The Trustees regularly review the hospice's strategic risk register which forms part of the Governance Framework.

Following appraisal of operational performance over the course of our current forecast period to FY 2028, the risks and opportunities associated with this and the redundancy and working capital exposure requirements, the Trustees have approved a free reserves requirement of between £9.1m and £3.1m.

Our free reserves as at 31st March 2025 were £6.3m, (31st March 2024: £6.6m). The calculation of free reserves is set out in Note 19 to the accounts.

The net movement in reserves in the year is set out in Notes 19 to 22 to the accounts.

FOCUS AREA 3: INVESTMENTS

The overall investment objective, which represent reserves held consistent with the reserves policy, is to provide financial security and stability, recognising that the charity is exposed to a degree of financial risk due to the variable and uncertain nature of its fundraising and NHS income. The Trustees seek to produce the best financial return within an acceptable level of risk.

Investments are divided into those expected to be held for a short-term (0-3 years) and long-term time horizon (3 years plus). The investment funds have separate return objectives.

Short Term Funds:

The Trustees require short term funds to support all known capital, operational, designated fund and restricted fund requirements in the next 3 years.

The investment objective for the short-term fund is to achieve a return in excess of short-term bank rates through investing in one or more Common Deposit Funds authorised by the Charity Commission with a Fitch rating of at least AAA.

Long Term Funds:

The Trustees require all funds in excess of the short term fund to be deposited in long term funds.

The investment objective for the long-term fund is capital preservation with some potential for capital appreciation, with a return over a rolling 5 years which exceeds CPI +2%.

The Trustees have adopted an ethical investment policy to ensure that its investments do not conflict with its aims or lead to reputational damage.

The Financial Sustainability Committee has responsibility for agreeing the investment strategy, setting benchmarks and monitoring the investment assets on a quarterly basis.

A formal evaluation of each fund managers' performance and consideration of the need to undertake full market testing is undertaken every 3-5 years.

Note 14 gives further information on the Investment position as at 31 March 2025.

Going Concern

Our five year forecasts have been reviewed in support of our strategic ambitions whilst modelling risk and cash management. We have acknowledged that the risks we now face are largely outside of our immediate control but have a significant impact on our ability to meet our ambitions whilst maintaining free reserves and cash management in the short to medium term.

Following the organisational restructure in this financial year, we are now working on some key strategic aims to improve our operational performance through income generation, greater NHS partnerships and focus on our cost base, so we are able to build back our services to our communities and open our full bed capacity.

Having reviewed and formally agreed the forecasts and cashflows prepared in September 2025, together with the Executive's business plan, the Trustees believe, to the best of their knowledge, that the charity remains a going concern for at least the 12-18 month period from the date of approval of the financial statements.

Structure, Governance and Management

The directors are also the Trustees of the charity for the purposes of company law and as such are responsible for the management of the hospital's affairs and its future strategy. The Trustees are required to hold at least four Board meetings a year. There are five committees, chaired by a Trustee which are attended by the appropriate Senior Management Team Member(s), which meet prior to and feed into each Board meeting.

- Financial Sustainability Committee (includes income generation activity).
- People and Development Committee.
- Board Effectiveness Committee.
- Quality Committee.
- Remuneration Committee (Chief Executive remuneration only).



Rotation, recruitment and appointment and induction of Trustees

The Trustees consider it essential that the Board is strong, well-balanced and effective comprising members with the requisite professional skills and experience in healthcare or local services to properly represent users of the charity's services. Looking forward, the Board will carefully consider how it increases its diversity and inclusion to better meet the needs of the local population.

Trustees are recruited through local advertising and a robust selection process. Trustees serve for a maximum of two terms of four years each.

An induction programme is provided to all new Directors. They are advised of their responsibilities as Directors and Trustees, including their legal obligations under charity and company law and the charity Commission guidance on public benefit, given copies of the charity's governing documents, and are appraised of the charity's aims and activities, current financial performance and its plans for the future. All Trustees receive an annual performance review and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

The General Meeting was held in person this year, where the Trustees provided an overview of our achievements and future plans, allowing additional challenge to the Trustees and the organisation, on behalf of the community.

Senior Management Team

The Board delegates the day-to-day management of the hospice to the Chief Executive, and the officers of the company.

The charity has set up a clear pay progression arrangement for its senior leaders which reflects arrangements in place for all staff and managers. As the charity strives to make its reward offer as competitive as it can afford, it will continue to consider managers and senior management remuneration. Pay points for the Senior Management Team regularly benchmarked against similar sized charities. Pay progression for these senior officers is delegated to the Chief Executive. The Chief Executive's pay also progresses over several pay points and progression is agreed by the charity's Remuneration Committee.

The Senior Management Team meets weekly, rotating meetings to review strategy and business plan delivery, the quality management system across all activities, risk management and operational service performance, including budgetary review and regular reforecasting. The SMT regularly meet with the wider management team in interactive update and planning sessions, with appropriate cascade to all staff, which includes an SMT weekly communication available on the intranet.

Trustees are invited to governance, management and all staff meetings periodically to assure themselves of the quality of communication, education and training that is being provided.

Charitable Objectives

The hospice's charitable objectives which were set by the Trustees, with due regard to the Charity Commission's guidance on public benefit, are:

- To relieve suffering, provide comfort and improve quality of life for people with progressive life limiting illness:
- To relieve the suffering of people facing or experiencing bereavement by the provision of counselling; and
- To advance research and education in palliative and end of life care.

Statement of Directors Responsibilities

The Board of Directors is responsible for the approval of the annual accounts, ensuring compliance with the Charities Act 2011, the Companies Act 2006 and the Memorandum and Articles of Association and Accounting and Reporting Statement of Recommended Practice applicable in the UK and republic of Ireland, FRS 102.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's strategic

report the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Ensure compliance with the methods and principles in the Memorandum and Articles of Association and Accounting and Reporting Statement of Recommended Practice applicable in the UK and Republic of Ireland, FRS 102 which was effective from 1st January 2019.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the directors are aware:

- There is no relevant audit information of which the company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Details of directors' interests in contracts and related party transactions are given in note 10 to the accounts.



STATEMENT AS TO DISCLOSURE TO THE AUDITORS

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and the Trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditor, Kreston Reeves LLP, has indicated their willingness to continue in office. A motion reappointing the auditor will be proposed at the next Board meeting.

The Report of the Board of Trustees, incorporating the strategic report, was approved by the Board on 17th September 2025 and signed on its behalf by:

A handwritten signature in black ink, which appears to read 'Philip Ingleby'.

Philip Ingleby
Chair of Board of Trustees

OUR TRUSTEES, SENIOR MANAGEMENT TEAM AND ADVISORS

Our Trustees

Philip Ingleby	Chair of the Board of Trustees Chair Remuneration Committee Chair of Financial Sustainability Committee to February 2025
Gregory Andrews	Chair of Quality Committee
Nicola Neal-Smith	Chair of joint Board Effectiveness & People and Development Committee to February and April 2025 respectively
Tom Lay	Chair of Financial Sustainability Committee from February 2025
Gary Needle	Chair of People and Development Committee from February 2025
Julia Elliot	Chair of Board Effectiveness from April 2025
Renee Hobson	
Jonathan Ellis	
Lisa Compton	Appointed June 2025
Sue McKinney	Appointed June 2025
Sally De La Bedoyere	Appointed June 2025
Alison Livesley	Resigned December 2024
Catherine Blackburn	Resigned September 2024
Richard Griffin	Resigned December 2024
Diana Riley	Resigned March 2025

Our Senior Management Team

Giles Tomsett	Chief Executive
Sam Farr	Director of Care Services Resigned September 2025
Linda Coffey	Director of Care Services Appointed September 2025
Paula McGoveney	Director of Income Generation and Marketing
Cathy Heard	Finance Director Resigned September 2025
Nick Lewis	Interim Finance and IT Director Appointed September 2025
Elly Powis	People and Site Services Director
Julia Fleming	Medical Director Appointed July 2025

Our Advisors

Independent auditors:

Kreston Reeves LLP,
Springfield House,
Springfield Road,
Horsham,
West Sussex
RH12 2RG

Principal bankers:

Barclays Bank Plc
10-12 The Martletts,
Crawley,
West Sussex
RH10 1ES

Solicitors:

DMH Stallard LLP,
Gainsborough House,
Pegler Way,
Crawley,
West Sussex
RH11 7FZ

Investment Advisors:

Sarasin & Partners LLP,
Juxon House,
100 St Paul's Churchyard,
London
EC4M 8BU

Rathbone Brothers plc,
1 Curzon Street,
London,
W1J 5FB

Registered Office:

Grace Holland Avenue,
Pease Pottage,
West Sussex,
RH11 9SL

Company Number: 01525404

Charity Registration Number: 281362

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ST CATHERINE'S HOSPICE LIMITED

Opinion

We have audited the financial statements of St Catherine's Hospice Limited (the "parent charitable company") and its subsidiary (the "group") for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Group and Hospice Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2025, and of its 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees' Annual 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 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 our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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



Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and sector as a whole, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to Care Quality Commission (CQC) regulations, restrictions imposed by charity law on the use of restricted funds, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Charities SORP (FRS 102) 2019 and consider other factors such as tax legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to increase income or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as legacy income recognition. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Reviewing correspondence with relevant tax and regulatory authorities including the most recent CQC inspection reports; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and

- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.



- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Kreston Reeves LLP

Lucy Hammond BSc FCA (Senior Statutory Auditor)

For and on behalf of Kreston Reeves LLP,
Chartered Accountants and Statutory Auditor

Horsham

Date: 22 September 2025

Financial Statements

Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2025

	Note	Restricted £'000's	Designated £'000's	Unrestricted £'000's	Total Funds 2025 £'000's	Total Funds 2024 £'000's
Income						
Donations & Legacies	2	258	0	4,979	5,237	7,111
Trading Activities	4	0	0	3,546	3,546	2,957
Charitable Activities	5	0	0	4,010	4,010	3,955
Investments	3	0	0	183	183	308
Other Income		203	0	87	290	243
Total Income		461	0	12,805	13,266	14,574
Expenditure						
Fundraising & Investment Activities		0	35	1,660	1,695	1,593
Trading Activities		0	72	3,059	3,131	2,753
Charitable Activities		106	249	8,974	9,329	8,846
Total Expenditure	6	106	356	13,693	14,155	13,192
Net Income / (Expenditure) on Operational Activities	7	355	(356)	(888)	(889)	1,382
Net Gains / (Losses) on Investments	14,15	0	0	65	65	318
Net Income / (Expenditure) for the Year	8	355	(356)	(823)	(824)	1,700
Transfer Between Funds	20,21	(314)	0	314	0	0
Net Movement in Funds		41	(356)	(509)	(824)	1,700
Funds B/F as at 1st April		129	971	29,392	30,492	28,792
Funds Carried Forward as at 31st March		170	615	28,883	29,668	30,492

All gains and losses arising in the current and previous year have been recognised in the Statement of Financial Activities and arise from continuing activities.

The prior year comparators for each fund included above are included in notes 27 to 31

The notes on pages 36 to 57 form part of these financial statements.

Financial Statements

Balance Sheets as at 31 March 2025

Company Registration No. 01525404

	Notes	Group		Hospice	
		31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000
Fixed Assets					
Tangible Assets	13	21,130	21,461	21,130	21,461
Assets Awaiting Disposal		1,441	1,290	1,441	1,290
Investments	14	3,786	4,649	3,786	4,699
		<u>26,357</u>	<u>27,400</u>	<u>26,357</u>	<u>27,450</u>
Current Assets					
Investments	15	260	248	260	248
Stock	16	7	3	0	0
Debtors	17	2,272	2,449	2,270	2,520
Cash at Bank		1,830	1,825	1,816	1,731
		<u>4,369</u>	<u>4,525</u>	<u>4,346</u>	<u>4,499</u>
Current Liabilities					
Creditors: amounts falling due within one year	18	1,038	1,425	977	1,424
Net Current Assets		<u>3,331</u>	<u>3,100</u>	<u>3,369</u>	<u>3,075</u>
Total Assets less Current Liabilities		<u>29,688</u>	<u>30,500</u>	<u>29,726</u>	<u>30,525</u>
Creditors: amounts falling due greater one year	11	20	8	20	8
Total Net Assets		<u>29,668</u>	<u>30,492</u>	<u>29,706</u>	<u>30,517</u>
The Funds of the Charity					
Restricted Funds	20	170	129	170	129
Designated Funds	21	615	971	615	971
Unrestricted Funds	21	28,883	29,392	28,921	29,417
Total Funds	22	<u>29,668</u>	<u>30,492</u>	<u>29,706</u>	<u>30,517</u>

The unconsolidated net deficit of the Hospice in 2024/25 was £786,000 (2023/24 a net income of £1,758,000).

The Financial Statements on pages 33 to 57 were approved by the Board of Directors and authorised for issue on 17th September 2025 and are signed on its behalf by:



Philip Ingleby
Trustee / Director

The notes on pages 36 to 57 form part of these financial statements.

Financial Statements

Consolidated Cash Flow Statement as at 31 March 2025

		31 March 2025 £'000	31 March 2024 £'000
	Notes		
Cashflows from Operating Activities			
Net Cash provided by / (used in) Operating Activities	25a	(503)	440
Cashflows from Investing Activities			
Divestment of Investments		1,000	3,200
Divestment of Current Asset Investments		0	266
Purchase of Investments		0	0
Purchase of Property, Plant & Equipment		(341)	0
Purchase of Security etc for assets awaiting disposal		(151)	0
New Build Construction in Progress		0	(7,451)
Net Cash provided by / (used in) Investing Activities		508	(3,985)
Change in Cash & Equivalents in the Reporting Period		5	(3,545)
Cash & Equivalents at the beginning of the Reporting Period		1,825	5,370
Cash & Equivalents at the end of the Reporting Period	25b	1,830	1,825

The notes on pages 36 to 57 form part of these financial statements.

Accounting Policies

Principal Accounting Policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The hospice meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy notes.

Legal Status of the Charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member.

Going Concern

Having given prioritised oversight of, the financial forecasts, cashflows and risk register during the year in response to the pandemic and its impact on future aspirations, the Trustees have realigned the hospice's future strategic direction to meet short to medium term constraints. The Trustees, therefore, consider that there are no material uncertainties about St Catherine's Hospice Limited's ability to continue as a going concern for the foreseeable future. Free reserves currently exceed the charity's reserves policy requirements which has been agreed on a risk-based profile. Medium-term forecast projections indicate that the charity's free reserves remain within its policy's acceptable limits.

Material Areas of Judgement

The most significant area of judgement and key assumptions that affects items in the accounts is the estimation of income from Legacies. The estimated value of each outstanding legacy at 31 March is calculated in accordance with the principles set out in the Donation, Grants and Other Income section below. Another significant area of assumption is in respect of depreciation of Fixed Assets. The rates of write down are shown in the Tangible Fixed Assets section below. The Trustees are satisfied that these write down rates are a reasonable reflection of the expected useful life of the assets in each class.

Group Financial Statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiary St Catherine's Hospice Trading (Sussex) Limited on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Fund 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 where the donor has specified they should only be used for particular areas of the hospice's work. The aim and use of each designated and restricted fund is set out in the notes to the financial statements. Investment income, gains and losses are allocated to the appropriate fund.

Donated Assets

Tangible assets donated to the hospice are recorded at the original estimate of their value to the company.

A donation of land was received in 2019/20 and accounted for in accordance with this policy ensuring the valuation was a fair value, carried out by external professional valuers, as defined within FRS102 being the "amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

Tangible Fixed Assets

Fixed assets other than donated assets are stated at historical cost. All assets costing more than £2,000 are capitalised.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write down each asset to its estimated residual value evenly over its expected useful life, as follows:-

Accounting Policies

Freehold buildings	2% per annum on cost
Extensions and refurbishments	10% per annum on cost
Equipment (excluding leasehold improvements)	25% or 17% per annum on cost
Leasehold improvements	calculated on remaining length of lease
Computer Equipment	25% per annum on cost
Motor vehicles	25% per annum on cost

Taxation

The company is considered to pass the tests set out in the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation on income or capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

Operating Leases

Rental costs under operating leases are charged to the general fund operating account in equal annual amounts in accordance with the terms of the lease. Any benefits received or receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period of the lease.

Pension Contributions

The charity operates a defined contribution pension scheme, the assets of which are held separately from those of the charity in independently administered funds chosen by individual staff. Some staff participate in the NHS defined benefit pension scheme. Any resulting liabilities on this scheme would be met by the State. Therefore, contributions payable for the year in relation to either scheme are charged in the Statement of Financial Activities.

The charity participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The charity is also making additional payments into the fund in order to eliminate the deficit. These payments commenced in April 2013 and are currently scheduled to continue until March 2028. To recognise the future liability and in accordance with FRS 102 the Trustees have agreed to make a provision for the present value of the outstanding deficit contributions.

Further details including the current buy-out debt amount and value of the provision are given in Note 11.

Donations Grants and Other Income

Income is recognised in the Statement of Financial Activities when the charity is entitled to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income has related expenditure (as with fundraising or contract income) the income and related expenditure are reported gross in the Statement of Financial Activities.

- In the event that a donation or grant is subject to fulfilling performance conditions before the charity is entitled to the funds the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income accrued in debtors.
- Income from NHS contracts, government or other grants, whether capital or revenue in nature are recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.
- Income, including sponsorship received in advance for a future fundraising event or for a grant received relating

Accounting Policies

to the following year is deferred until the criteria for income recognition is met.

- Items donated for resale through the retail shops are included in the accounts when the items are sold.
- Investment income is included when receivable and the amount can be measured reliably, usually when the notification of interest payable is received from the bank. Dividends are recognised once the dividend has been declared and notification has been received of the amount due.
- Income from legacies is determined on a case by case basis in accordance with the following principles. Pecuniary legacies are recognised once probate has been granted and notification has been received that payment will be received. Residuary legacies are recognised once probate has been granted, provided that sufficient information has been received to enable valuation of the hospice's entitlement with sufficient certainty; amounts receivable are included at 90% of their valuation, to reflect the sector's experience of the uncertainty inherent in the administration of estates, subject to further reduction to reflect the impact of other factors such as the valuation of unrealised estate assets or subsequent adverse movements in property and investment markets. 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.
- All subscriptions for the lottery draws are deferred, with income drawn down each week. All other income received in one period but relating to future periods is shown as deferred income under creditors.

Donated Goods and Services

Donations of goods and services, including seconded NHS doctors, are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from its use is probable and the economic benefit can be reliably measured. These items are included in income at the estimated value of the gift to the charity when received based on the amount the charity would have been prepared to pay had it been required to purchase them.

Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements. Further details of their contribution are provided in note 12.

Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis once there is a legal obligation to make a payment, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is categorised under the following headings:

Costs of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies; investment management fees; costs of fundraising activities including the costs of goods sold, shop costs, commercial trading and their associated support costs. Fundraising costs do not include the costs of disseminating information in support of the hospice's charitable activities.

Expenditure on charitable activities includes the costs of providing specialist palliative care and support to patients, their families and the wider community; research and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the hospice and include governance cost, finance and office costs. Governance costs are those costs incurred in connection with complying with constitutional and statutory requirements of the charity. Where practicable irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are allocated to each of the activities on a variety of bases, principally headcount, floor area or time spent on activities depending on the nature of the support costs, to best allocate the costs to each attributable heading. More details on the analysis and basis of allocation is given in note 6.

Financial Instruments

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

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price, except for the shares in the trading subsidiary which are carried at cost. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their

Accounting Policies

purchase value if acquired during the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The charity does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity and bond markets due to wider economic conditions, the attitudes of investors to investment risk and changes in sentiment concerning equities and other instruments within particular sectors.

Stock

Stock of goods for resale is valued at the lower of cost and estimated selling price less selling costs. Stock donated for resale are not included in the financial statements until they are sold because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place to record these until they are sold and undertaking a stock take would incur undue cost and income loss for the charity which would far outweigh the benefits.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid deposits with a short maturity of 95 days or less from the date of acquisition or opening of the account.

Creditors

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

Supporting Notes to Financial Statements

1 Income

Income derives from the group's principal activities carried on wholly in the United Kingdom.

2 Income from Donations, Legacies and Grants

	Restricted £'000's	Unrestricted £'000's	2025 £'000's	2024 £'000's
Donations	16	2,934	2,950	2,016
Legacies	0	1,724	1,724	3,591
Other Grants	242	321	563	244
Donations in Kind	0	0	0	111
Capital Appeal - Pease Pottage	0	0	0	1,149
	258	4,979	5,237	7,111

3 Income from Investments

	2025 £'000	2024 £'000
Listed Investment Income	101	151
Interest Received -Investments held as Current Assets	12	8
Interest Received – Bank and Other	70	149
	183	308

4 Income from Trading Activities

	2025 £'000's	2024 £'000's
Retail	1,952	1,682
Lottery	1,010	1,006
Fundraising Events	584	269
	3,546	2,957

Supporting Notes to Financial Statements

5 Income from Charitable Activities

	2025	2024
	£'000	£'000
Surrey ICB Income		
NHS Block Contract / Grant Surrey	1,790	1723
NHS Contribution to Drug Costs	60	59
Pension Rebate	37	36
Consultant Income	54	47
Notional Income supporting seconded Junior Doctors	427	415
Seconded Nursing to NHS	5	25
Winter Pressure Bed Days	17	0
	2,390	2,305
Sussex ICB Income		
NHS Block Contract / Grant Sussex	1,048	1042
NHS Community Support Pilot – Sussex (ceased from December 2025)	240	319
Pension Rebate	37	36
Income for Inpatient Beds from Continuing Healthcare (CHC) - Sussex	79	53
West Sussex Bed Days	12	17
NHS Contribution to Drug Costs	105	74
Urgent Response	79	85
	1,600	1,626
Education Income	20	24
	4,010	3,955

Supporting Notes to Financial Statements

6 a) Expenditure

	Direct Costs £000's	Support Costs £000's	Depreciation £000's	Total 2025 £000's	Total 2024 £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	1,207	378	85	1,670	1,557
Investment Management	25	0	0	25	36
	1,232	378	85	1,695	1,593
Trading Activities					
Retail Shops	1,641	606	92	2,339	2,023
Lottery Costs	253	155	8	416	391
Fundraising Events	89	270	17	376	339
	1,983	1,031	117	3,131	2,753
Charitable Activities					
Inpatient Services	3,361	1,425	193	4,979	4,434
Community Services	2,300	709	173	3,182	3,454
Wellbeing Services	480	442	82	1,004	807
Education	52	96	16	164	151
	6,193	2,672	464	9,329	8,846
	9,408	4,081	666	14,155	13,192

b) Analysis of Support Costs in a) above

	Facilities & Hospitality £000's	Support Services £000's	Corporate Comms £000's	Governance £000's	Support Costs Total £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	116	186	57	19	378
	116	186	57	19	378
Trading Activities					
Retail Shops	188	361	20	37	606
Lottery Costs	117	13	24	1	155
Fundraising Events	116	94	50	10	270
	421	468	94	48	1,031
Charitable Activities					
Inpatient Services	523	801	20	81	1,425
Community Services	146	494	20	49	709
Wellbeing Services	203	199	20	20	442
Education	44	39	8	5	96
	916	1,533	68	155	2,672
	1,453	2,187	219	222	4,081

Supporting Notes to Financial Statements

7 Trading Operations

The wholly owned trading subsidiary, St Catherine's Hospice Trading (Sussex) Limited, UK company registration number 02822993, pays all its eligible profits to the charity under Gift Aid, where these are not covered by losses brought forward. The company manages the sale of purchased goods through the hospice retail shops, the operation of the community hub at Pease Pottage, which comprises the coffee shop and two interlocking function rooms. In addition the company managed the collaboration agreements with St Peter and St James Hospice for Finance support and St. Wilfrid's Hospice for IT support, which both terminated in the financial year.

The Community Hub losses in the first and second year were expected, with projections now seeing losses into the future. The Trustees have reviewed this position with the Senior Management Team and recommendations are being agreed to ensure that this position is addressed and the financial sustainability of the trading subsidiary fully enabled within a 4 – 5 year period. To support the turnaround of the trading subsidiary, the Trustees have agreed to waive the support services cross charges for this financial year.

The charity owns the entire issued share capital of 50,000 shares of £1 each. Given the current financial position of the trading subsidiary, the Trustees have impaired the value of their investment in its trading subsidiary.

A summary of the trading results is shown below.

	2025 £'000	2024 £'000
Turnover	392	449
Cost of Sales	(58)	(97)
Gross Profit	334	352
Other Operating Expenses (net)	(398)	(376)
Profit / (Loss) on Ordinary Activities	(64)	(24)
Donations under Gift Aid	0	35
Corporation Tax		
Profit / (Loss) Retained in the Subsidiary	(64)	(59)
Net Assets Brought forward	26	85
Net (Liabilities)/ Assets Carried forward	(38)	26

8 Net Income / Expenditure

	2025 £'000	2024 £'000
Net Income / (Expenditure) is stated after charging:		
Tangible Fixed Asset Depreciation and amounts Written Off in the Period		
Owned Assets	647	343
Operating Lease Rentals - Equipment	31	21
Operating Lease Rentals - Shops & Office	407	351
Operating Lease Rentals - Vehicles	37	0
Auditors Remuneration - Audit	26	26

Supporting Notes to Financial Statements

9 Employees

	2025 FTE's	2024 FTE's
Average Weekly FTE's		
Fundraising	24	26
Retail	27	27
Inpatient Services	48	45
Community Services	34	46
Wellbeing Services	11	8
Education	1	0
Support Services	53	55
	198	207

The hospice employs a significant number of staff on part-time and bank contracts. The average number of paid staff in the charity and group in 2024/25 was 298 (2023/24: 283).

	2025 £'000	2024 £'000
Staff Costs		
Salaries	8,744	8,325
Social Security Costs	835	788
Other Pension Costs	741	693
	10,320	9,806

The hospice made ex gratia payments to staff in 2024/25 of £217,000 (2023/24 £24,000). Pension costs for 2024/25 are £721,000 (2023/24 693,000), net of NHS funding. Included in the staff costs above is £427,000 (2023/24 £415,000) in respect of seconded NHS doctors paid from NHS funds.

The number of employees who received emoluments in the following ranges was:

	31 March 2025 £'000	31 March 2024 £'000
£60,001 - £70,000	1	3
£70,001 - £80,000	1	4
£80,001 - £90,000	3	1
£90,001 - £100,000	2	1
£100,001 - £110,000	3	3
£110,001 - £120,000	0	1
	10	13

All of the above higher paid employees are accruing retirement benefits under schemes treated as defined contribution schemes. The company made pension contributions of £109,000 on behalf of these staff in 2024/25 (2023/24 £120,000).

The hospice considers that the key management personnel comprise the senior management team – who are the Chief

Supporting Notes to Financial Statements

Executive and 4 other key Directors. The total employee benefits of the key management staff were £463,000 (2023/24 £676,000).

10 Related Party Transactions

During the year no Trustees received any remuneration or benefits in kind (2023/24 £Nil). Moreover, no Trustees received any reimbursement of travel expenses (2023/24 £Nil). Donations from Trustees to the charity amounted to £8,000 in 2024/25 (2023/24 £13,000).

The charity provided services during the year to its wholly owned trading subsidiary, St. Catherine's Hospice Trading (Sussex) Limited, with no conditions attached. The charge for those services amounted to £Nil (2023/24 £27,000). No donation was made under gift aid from the trading subsidiary in the year, given first year expected losses in the setup of the Community Hub at Grace Holland Avenue (2023/24 £Nil).

There were no other related party transactions in the current year or previous year.

11 Pension Contributions

The hospice participates in a defined benefit pension scheme operated by The Pensions Trust.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2025 to 31 March 2028:	£2,100,000 per annum	(payable monthly)
-------------------------------------	----------------------	-------------------

Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
---------------------------------------	----------------------	-------------------

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Supporting Notes to Financial Statements

Present Value of Provision	2025 £'000	2024 £'000	2023 £'000
Present Value of Provision	20	8	20
Reconciliation of Opening & Closing Provisions		2025 £'000	2024 £'000
Provision at start of Period		8	20
Unwinding of Discount Factor (Interest Expense)		1	1
Deficit Contribution Paid		(9)	(13)
Remeasurement - Amendment to Contribution Schedule		20	0
Provision at End of Period		20	8
Income & Expenditure Impact		2025 £'000	2024 £'000
Interest Expense		1	1
Amendment to Contribution Schedule		(1)	(1)
Remeasurement - Amendment to Contribution Schedule		20	
Costs charged to Income & Expenditure Account		20	0

A rate of discount of 4.84% has been assumed in 2024/25, (2023/24 5.31%) representing the Hospice's estimate of the cost of money to the charity. The discount rates are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The hospice also participates in a defined contribution pension scheme operated by the Pensions Trust, the assets of which are held separately from those of the hospice. Employees contribute between 3.2% and 6% of their salary with the charity contributing 150% of the employee contribution.

The total pension cost charge of the group represents contributions payable by the charity and amounted to £721,000 (2023/24: £693,000).

At the year-end contributions outstanding totalled £82,000 (2023/24: £1,000) and are included in the creditors. The estimated employer pension contributions payable by the company in 2025/26 is £694,000.

12 Volunteers

The charity is dependent upon a team of part-time voluntary helpers who assist in all areas of the charity's care. There are three key types of volunteers:

Hospice Volunteers - providing a range of clinical services (e.g. complementary therapy, counselling, patient drivers) and support services (e.g. administration, hospitality, gardeners).

Retail Volunteers - providing sorting and till support to 13 charity shops, our warehouse and e-commerce work.

Community - supporting our fundraising work through Friends groups, running street collections and supporting events (e.g. marshalling, registration, refreshments, game stalls).

Supporting Notes to Financial Statements

13 Tangible Fixed Assets

Hospice & Group	Freehold Land & Buildings £'000	Equipment & Vehicles £'000	Total £'000
a) Tangible Fixed Assets			
Cost / Valuation at 1st April 2024	20,916	1,027	21,943
Additions	112	229	341
Transfers			0
Disposals	(4)	(24)	(28)
Cost / Valuation at 31st March 2025	21,024	1,232	22,256
Depreciation at 31st March 2024	228	254	482
Charged in the Year	431	216	647
Disposals	(1)	(2)	(3)
Depreciation at 31st March 2025	658	468	1,126
Net Book Value 31st March 2025	20,366	764	21,130
Net Book Value 31st March 2024	20,688	773	21,461
b) Assets Awaiting Disposal			
Cost / Valuation at 1st April 2024			1,290
Additions			151
NBV - Assets awaiting Disposal			1,441

All the tangible fixed assets of the group are part of the accounts of the main charity

With the pending sale of the previous site at Malthouse Road, all assets and costs of maintaining the asset until the sale is completed have been disposed of and held on the balance sheet as assets awaiting disposal.

Market value of land and buildings

Freehold land at Malthouse Road was donated to the hospice and valued at £60,000 by the Directors in December 1983.

Freehold land at Pease Pottage was donated to the hospice in December 2018. The Trustees carried out a valuation, supported by a firm of independent advisors, who valued the land at £1,000,000. The basis of value is at a fair value, as defined within the Financial Reporting Standard FRS102, being "the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

All freehold land and buildings are included in the financial statements at lower of cost and open market value. In the opinion of the Directors, the open market value of the freehold land and buildings is not less than the stated value.

Supporting Notes to Financial Statements

14 Fixed Asset Investments

Listed Investments £'000

Cost / Market Value 1st April 2024	4,649
Realised Gains / (Losses) on Disposal	32
Unrealised Gains / (Losses)	(71)
Dividends & Interest	101
Management Fee	(25)
Movement of Shares to Investments	100
Funds Withdrawn	(1,000)
Cost / Market Value 31st March 2025	3,786
Historical Cost 31st March 2025	3,731

There are no additional investments held by the charity at the end of the year, following the impairment of an investment at cost in its subsidiary (2023/24 £50,000). See Note 7.

Subsidiary Company

Name	Country of Incorporation	Class of Holding	Proportion Held	Aggregate Capital & Reserves £'000	Result for Year £'000
St Catherine's Hospice Trading (Sussex) Limited	England	Ordinary	100%	(38,301)	(88,301)

15 Investments held as Current Assets

	£'000
Cost / Market Value 1st April 2024	248
Interest	12
Cost / Market Value 31st March 2025	260
Historical Cost 31st March 2025	230

16 Stock

	Group		Hospice	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Stock				
Goods for Resale	7	3	0	0
	<u>7</u>	<u>3</u>	<u>0</u>	<u>0</u>

Supporting Notes to Financial Statements

17 Debtors

	Group		Hospice	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Debtors				
Trade Debtors	70	207	69	206
Accrued Legacy Income	1,445	1,561	1,445	1,561
Amounts due from Subsidiary Company	0	0	0	81
Other Prepayments & Accrued Income	614	510	614	480
Other Debtors	143	171	142	192
	<u>2,272</u>	<u>2,449</u>	<u>2,270</u>	<u>2,520</u>

18 Creditors: Amounts falling due within one year

	Group		Hospice	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Creditors				
Trade and Other Creditors	192	559	187	559
Taxation and Social Security Costs	161	186	161	186
Accruals & Deferred Income	609	611	608	610
Other Creditors	76	69	21	69
	<u>1,038</u>	<u>1,425</u>	<u>977</u>	<u>1,424</u>

Deferred Income

At Start of Year	251	105	251	105
Released in Year	(251)	(105)	(251)	(105)
Deferred in Year	236	251	236	251
At End of Year	<u>236</u>	<u>251</u>	<u>236</u>	<u>251</u>

Deferred income of £236k (2023/24 £251k) includes £123k (2023/24 £115k) of prepaid lottery income and fundraising events for which income of £113k (2023/24 £136k) has been received in advance.

Supporting Notes to Financial Statements

19 Reserves – Movements by Fund

This schedule presents the final reserves position by fund.

	Restricted Funds	Designated Funds	Unrestricted Funds	Total Funds
Balance as at 01/04/2024	129	971	29,392	30,492
Net Operating Income / (Expenditure)	355	(356)	(888)	(889)
Net Gains / (Losses) on Investments	0	0	65	65
Net Inc / (Dec) in Reserves	355	(356)	(823)	(824)
Transfers between Funds	(314)	0	314	0
Net Inc / (Dec) in Reserves	41	(356)	(509)	(824)
Balance as at 31/03/2025	170	615	28,883	29,668
Less:				
Fixed Assets	0	0	21,130	21,130
Assets Awaiting Disposal	0	0	1,441	1,441
Available Reserves	170	615	6,312	7,097

The pending sale of the previous site at Malthouse Road is expected to achieve a minimum of £1.4m which will build back free reserves. This is expected to complete in early 2026.

Notes 20 and 21 provide further detail on fund movements in the year.

20 Restricted Funds: Group & Charity

	Balance 1 April 2024	Income in Year	Expenditure in Year	Transfers In / (Out)	Balance 31 March 2025
Inpatient services	4	106	0	(110)	0
Community Services	0	71	71	0	0
Wellbeing Services	125	79	33	(1)	170
Government / HUK funded assets	0	203	0	(203)	0
Total Funds	129	459	104	(314)	170

The hospice may receive grants or donations whose use is restricted by the donor. In these circumstances, the funds are shown as restricted. Capital equipment income is transferred to the unrestricted fund once spent on assets for the general unrestricted use of the hospice.

The restricted funds are managed through a governance group with expenditure aligned to donations. The funds raised in the year supported the following:

Inpatient Services

- Funds brought forward supported the purchase of a scanner.
- £80k raised for bedroom awnings on the IPU from The Francis Winham Foundation
- £23k raised from The Community Foundation for Surrey, the Shanly Foundation and King Baudouin Foundation for IPU beds.
- £3k raised through trusts and individual donations for IPU equipment and syringe drivers.

Supporting Notes to Financial Statements

Community Services

- £49.5k raised for CNS salary in the community.
- £6k raised for a hand held scanner from The Francis Winham Foundation
- £15.5k raised for Community Care.

Wellbeing Services

- Funds brought forward from the prior year support the recruitment of a Complimentary Therapist, which was put on hold in the year, during the consultation process and recruited for the new financial year 2025/26.
- £47k from Horsham Hospital League of Friends for Wellbeing / Carers – this is carried forward with expenditure in 2025/26.
- £20k from HUK for the Frailty Project
- £1k from The Girdlers Company Charitable Trust for Physio Equipment
- £11k from the Co-Op Community Fund and Individual donations for Counselling

Government / HUK funded assets

- £203k of income was received from the Government via HUK to be spent on capital projects as outlined below:
 - £149k for IT, being Server upgrade project, laptops to support windows 11 compliance
 - £33k for Buildings, being New shop leasehold upgrades, patient area security enhancements
 - £11k for Gardens, being a Sit on lawn mower and fencing for hospice car park
 - £10k for equipment, being a mortuary extended high lift retractor, temperature sensors and IPU equipment.

21 Unrestricted Funds

	Balance 1 April 2024	Income in Year	Expenditure in Year	Gain / (Loss) on Investments in Year	Transfers In / (Out)	Balance 31 March 2025
Designated Funds						
Strategic Delivery	971	0	356	0	0	615
Total Designated Funds	971	0	356	0	0	615
General Funds	29,392	12,805	13,693	65	314	28,883
Total Unrestricted Funds	30,363	12,805	14,049	65	314	29,498

Unrestricted reserves are available to be used for:

- The day to day running of the hospice.
- The costs of any capital projects in whole or in part where the cost is not met from any other fund; and
- For any other purpose as the Directors see fit to fulfil the objectives of the hospice.

Designated funds have been agreed by the Trustees to support costs in the delivery of the charity's strategic aims, with regular review and monitoring. Current funds are detailed below:

	£'000
Digital and IT Strategy	300
Operational Projects – Voluntary Income Generation	315
	615

Supporting Notes to Financial Statements

22 Analysis of Group Net Assets between Funds

	Unrestricted	Restricted	Total Funds 2025	Unrestricted	Restricted	Total Funds 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible Fixed Assets	22,571	0	22,571	22,735	16	22,751
Fixed Asset Investments	3,786	0	3,786	4,549	100	4,649
Current Asset Investments	260	0	260	248	0	248
Other Current Assets	3,939	170	4,109	4,197	13	4,210
Current Liabilities	(1,038)	0	(1,038)	(1,358)	0	(1,358)
Provisions	(20)	0	(20)	(8)	0	(8)
	29,498	170	29,668	30,363	129	30,492

23 Members of the Hospice

As at 31 March 2025 there were 57 members (2023/24: 53) of the company who are required to contribute £1 each in the event of the company being wound up.

24 Operating Lease Commitments

At 31 March 2025 the group was committed to make the following payments in respect of operating leases:

	2025	2024
	£'000	£'000
Land & Buildings		
Amounts due within One Year	338	404
Amounts due in Two to Five Years	900	1,030
Amounts due in over Five Years	405	468
Other		
Amounts due within One Year	15	22
Amounts due in Two to Five Years	35	7
Amounts due in over Five Years	15	0
	1,708	1,931

Payments under operating leases are recognised as expenditure as they fall due. No provision has been made for future commitments.

Supporting Notes to Financial Statements

25 Cashflows

	2025 £'000	2024 £'000
a) Net Income / (Expenditure) for the Reporting Period	(824)	1,700
Adjust for:		
Depreciation	647	377
(Gains) / Losses on Sale of Assets	21	502
Non Cash Donations (Shares, Land & Property)	(100)	(203)
Net (Gains) on Investments	(37)	(441)
Net (Gains) on Current Asset Investments	(12)	(21)
(Increase) / Decrease in Stocks	(4)	4
(Increase) / Decrease in Debtors	181	(710)
Increase / (Decrease) in Provisions	12	(12)
Increase / (Decrease) in Creditors	(387)	(756)
Net Cash provided by / (used in) Operating Activities	(503)	440

b) Analysis of Cash & Cash Equivalents

	2025 £'000	2024 £'000
Cash in Hand	1,830	1,825
Total Cash & Cash Equivalents	1,830	1,825

c) Analysis of changes in net debt

No analysis of changes in net debt is provided as the charity has no debt and all cash flow movements are included in the Consolidated Cash Flow Statement.

26 Capital Commitments

The sale of the previous site is in progress with a minimum net value expected of £1.4m, although the estimated completion date is early 2026.

27 Contingent Asset Disclosure

A legacy with an estimated value of approximately £0.6 million has been notified to the organisation. However, as the recognition criteria under applicable accounting standards were not met during the reporting period, no asset has been recognised in these financial statements.

Supporting Notes to Financial Statements

28 SOFA prior Year Comparatives

	Note	Restricted £'000's	Designated £'000's	Unrestricted £'000's	Total Funds 2024 £'000's	Total Funds 2023 £'000's
Income						
Donations & Legacies	2	1,343	0	5,768	7,111	6,985
Trading Activities	4	0	0	2,957	2,957	2,755
Charitable Activities	5	0	0	3,955	3,955	3,118
Investments	3	0	0	308	308	279
Other Income		0	0	243	243	180
Total Income		1,343	0	13,231	14,574	13,317
Expenditure						
Fundraising & Investment Activities		0	15	1,578	1,593	1,462
Trading Activities		0	21	2,732	2,753	2,171
Charitable Activities		235	84	8,527	8,846	7,521
Total Expenditure	6	235	120	12,837	13,192	11,154
Net Income / (Expenditure) on Operational Activities	7	1,108	(120)	394	1,382	2,163
Net Gains / (Losses) on Investments	14,15	0	0	318	318	(388)
Net Income / (Expenditure) for the Year	8	1,108	(120)	712	1,700	1,775
Transfer Between Funds	20,21	(7,683)	(10,948)	18,631	0	0
Net Movement in Funds		(6,575)	(11,068)	19,343	1,700	1,775
Funds B/F as at 1st April		6,704	12,039	10,049	28,792	27,017
Funds Carried Forward as at 31st March		129	971	29,392	30,492	28,792

Supporting Notes to Financial Statements

29 Note 6 Expenditure – prior year

a. Expenditure

	Direct Costs £000's	Support Costs £000's	Depreciation £000's	Total 2024 £000's	Total 2023 £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	1,131	378	48	1,557	1,386
Capital Appeal - Pease Pottage	0	0	0	0	41
Investment Management	36	0	0	36	35
	<u>1,167</u>	<u>378</u>	<u>48</u>	<u>1,593</u>	<u>1,462</u>
Trading Activities					
Retail Shops	1,376	596	52	2,023	1,788
Lottery Costs	250	136	5	391	178
Fundraising Events	67	262	9	339	205
	<u>1,693</u>	<u>994</u>	<u>66</u>	<u>2,753</u>	<u>2,171</u>
Charitable Activities					
Inpatient Services	2,951	1,374	109	4,434	3,913
Community Services	2,638	718	98	3,454	3,010
Wellbeing Services	344	417	46	807	346
Education	50	91	10	151	253
	<u>5,983</u>	<u>2,599</u>	<u>263</u>	<u>8,846</u>	<u>7,521</u>
	<u>8,844</u>	<u>3,971</u>	<u>377</u>	<u>13,192</u>	<u>11,154</u>

b. Analysis of Support Costs

	Facilities & Hospitality £000's	Support Services £000's	Corporate Comms £000's	Governance £000's	Support Costs Total £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	91	190	69	28	378
	<u>91</u>	<u>190</u>	<u>69</u>	<u>28</u>	<u>378</u>
Trading Activities					
Retail Shops	148	368	24	55	596
Lottery Costs	91	13	29	2	136
Fundraising Events	91	96	61	14	262
	<u>330</u>	<u>478</u>	<u>114</u>	<u>72</u>	<u>994</u>
Charitable Activities					
Inpatient Services	410	817	24	122	1,374
Community Services	114	505	24	76	718
Wellbeing Services	159	203	24	30	417
Education	34	40	11	6	91
	<u>718</u>	<u>1,565</u>	<u>82</u>	<u>235</u>	<u>2,599</u>
	<u>1,140</u>	<u>2,233</u>	<u>265</u>	<u>335</u>	<u>3,971</u>

Supporting Notes to Financial Statements

30 Note 20 Restricted Funds - prior year

	Balance 1 April 2023	Income in Year	Expenditure in Year	Transfers In / (Out)	Balance 31 March 2024
Inpatient services	18	7	21	0	4
Community Services	0	64	64	0	0
Wellbeing Services	188	12	75	0	125
Education	28	0	28	0	0
Capital & Equipment	31	0	31	0	0
Other	0	17	17	0	0
Total Funds	265	100	236	0	129
Donations in Kind	1,000	111	0	(1,111)	0
New Horizons Donation to New Build	1,100	0	0	(1,100)	0
Capital Appeal - Pease Pottage	4,339	1,133	0	(5,472)	0
Total Funds	6,704	1,344	236	(7,683)	129

31 Note 21 Unrestricted Funds – prior year

	Balance 1 April 2023	Income in Year	Expenditure in Year	Gain / (Loss) on Investments in Year	Transfers In / (Out)	Balance 31 March 2024
Designated Funds						
New Hospice Fund	11,233	0	0	0	(11,233)	0
Strategic Delivery	806	0	119	0	285	972
Total Designated Funds	12,039	0	120	0	(10,948)	971
General Funds	10,049	13,231	12,837	318	18,631	29,392
Total Unrestricted Funds	22,088	13,231	12,956	318	7,683	30,364

Supporting Notes to Financial Statements

32 Note 22 Analysis of Group Net Assets between Funds – prior year

	Unrestricted	Restricted	Total Funds 2024	Unrestricted	Restricted	Total Funds 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible Fixed Assets	22,735	16	22,751	2,653	16	2,669
Construction in Progress - Pease Pottage	0	0	0	7,032	4,803	11,835
Fixed Asset Investments	4,549	100	4,649	7,216	100	7,316
Current Asset Investments	248	0	248	493	0	493
Other Current Assets	4,197	13	4,210	5,139	1,785	6,924
Current Liabilities	(1,358)	0	(1,358)	(423)	0	(423)
Provisions	(8)	0	(8)	(22)	0	(22)
	30,363	129	30,492	22,088	6,704	28,792

**Our special thanks to all who have supported St Catherine's in 2024-25.
Our full audited accounts are available at: www.stch.org.uk**

**We would like to thank the patients and family members who have kindly
allowed us to feature their photographs and words in this report.**

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West Sussex, RH11 9SL**

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@stcatherinescrawley**



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ST CATHERINE'S HOSPICE LIMITED

England & Wales - Charity number 281362

Accounts



ST CATHERINE'S HOSPICE
ANNUAL REPORT AND ACCOUNTS
YEAR ENDED MARCH 2024

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INTRODUCTION FROM THE CHAIR OF TRUSTEES AND CHAIR ELECT

An eventful and exciting year for St Catherine's.

The successful completion of a programme begun almost 10 years ago to build our new home on Grace Holland Avenue as we admitted the first person to our wards in December and the closure of Malthouse Road from where we have provided care since our foundation in the 1980s.



Terry O'Leary
Chair of Trustees



Giles Tomsett
Chief Executive



Philip Ingleby
Chair of the Financial Sustainability
Committee and Chair Elect

Those to whom we owe appreciation are too numerous to list here. However we should mention here our predecessors who, envisioned our need to develop a facility to meet the 21st century needs of our community, those in our community who collectively and generously gave some £20million to enable us to realise our vision and the legion of staff, volunteers and partners delivering this foundational programme.

As we settle into our new home and plan the ways in which we will use this amazing gift to continue to provide outstanding care to the people of West Sussex and East Surrey when they most need it, as we give our sincere thanks to all those who made it possible, let us pause to be proud of our collective achievement.

The opening of our new hospice marks the close of a long - and sometimes challenging - chapter in our history but also the opening of a new chapter that will be both exciting and challenging in its own right.

The challenges we face will be in two main categories, financial and systemic.

We already experienced the financial challenge in the past two-three years, emerging from the global pandemic and facing historic levels of cost inflation. While we overcame these difficulties in the context of our new build programme, thanks to the generosity of our community, and the talent of our income generating team, we now face the same difficulties operationally to continue to finance our care services and ideally grow and improve what we do.

We are not alone in this challenge. Many hospices and charities are facing the dual impact of cost inflation and the diminished capacity of the donor base, themselves impacted by economic forces. Compounded, in our case and for many other charities, by the financial constraints on the system within which we operate, in our case the health and social care system.

We have recognised these risks and, in collaboration with hospice colleagues across Sussex and Surrey, we are working with our partners in the health and social care system to develop a sustainable operating model for the future.

In Sussex and Surrey, we work closely with our health and social care partners, general practitioners, district nursing, and social care services. We all support the same people, and the challenge is to integrate our expertise with our partners' so that people experience holistic care as they face dying. We recognise that this integration is not perfect and our clinical leaders are working closely with our system partners to agree the shape of that care in the future.

We have therefore begun parallel activities - internally consulting on how we can reshape our community services and, externally, with NHS partners on developments in community facing statutory provision such as virtual wards, integrated care and other innovations envisaged in the NHS long term plan for care in community settings.

NHS leaders in Surrey and Sussex value the importance of the work we do alongside their teams to support people across the community, and they recognise the important role our beds play in supporting people with high complex needs or for those where care at home is not an option for socio-economic and wider non clinical reasons. With an ageing society and with local hospitals under enormous ongoing pressure, we are keen to see all of our new facility fully utilised.

Recognition though has not led to any improvement in our statutory income which would help us to fully open our new facility at Pease Pottage. We continue to work on this while appreciating the enormous pressure on NHS finances.

There are steps we are taking ourselves to redesign our services in ways we believe will unlock improvement in our statutory funding as we will be a closer partner within the wider integrated local community statutory provision. Aligning more closely with NHS priorities is not inconsistent with

our independent status, in fact it will allow us to focus our charitable funds on areas and aspects of our care and wellbeing services not supported by the national system.

With our NHS partners, we intend to reframe our approach in community care through the design and build of a shared and integrated community model of care so that we optimise our charitable role alongside the work of local GPs and district nurses. Framing this contribution to align to the developing Primary Care Network landscape locally will offer local people improved co-ordination from the entire service. We will report the progress of this joint work next year after the conclusion of our pilot in East Surrey which will run over the summer of 2024.

We are grateful to the clinical directors within St Catherine's working with the local GP Federations and community providers to shape this new approach to the benefit of those we care for.

As I step down after 8 eventful years, looking back on the past, the work that has got us to where we are and looking forward to the future, the challenges and opportunities facing us, let us not overlook the present.

The present is the work that our staff and volunteers do every day to deliver care in our wards and in peoples' homes and the work they do to support and enable that care. Also, the generosity and love of our community who make it all possible. It has been my privilege and my honour to work with these remarkable people these past 8 years, I look forward to supporting their work in the future.

Leading the organisation into that future will be my colleague, Philip Ingleby, our new Chair of Trustees. Philip has been a close colleague for four years and a supporter of St Catherine's before that. I am delighted that our board has appointed him to succeed me, I am confident that we are in very good hands and I wish him every success.

Terry O'Leary Chairman



It is a great privilege to take on the role of Chair of Trustees of St Catherine's Hospice, an organisation that I have come to know well and which is very close to my heart after four years as a Trustee. I would like to pay tribute to the leadership of Terry O'Leary who has taken us through the most challenging period since the Hospice was established, as we navigated the pandemic and moved into our new home at Pease Pottage. We owe Terry an enormous debt of gratitude and I am delighted that he will continue as a supporter. I would also like to thank our other Trustees and Directors who are retiring this year and who have played such an important role in the St Catherine's story.

As Terry highlights, the road ahead will not be straightforward and along with many organisations in the health sector we face challenges, particularly from a funding perspective. Our income, both statutory and voluntary, has not been keeping pace with the increase in our costs and we are addressing this as a matter of urgency: we are engaging with our partners in the NHS and also other hospices in our area but we are having to make some difficult decisions around cost reductions which are currently being implemented.

We need to ensure that St Catherine's has a solid financial base so we can serve our community well into the future, also that we continue to play a pivotal role in the delivery of end of life care within our area, working with our partners in the NHS and elsewhere and ensuring that we fully utilise

the superb new facility we have at Grace Holland Avenue. In this I know that I and my Trustee colleagues can rely on our excellent Management Team led by Giles Tomsett and the commitment of our wonderful staff and volunteers who make this extraordinary organisation so special.

Philip Ingleby Chair of the Financial Sustainability Committee and Chair Elect

"On behalf of our staff, volunteers and those we care for, I would like to thank Terry O'Leary for giving so much of his time, energy and commitment to St Catherine's. It has been an absolute privilege to work alongside Terry for the last 8 years and he can be extremely proud of all that has been achieved for those needing end of life care during his tenure as Chair.

We are looking forward to continuing our mission with our new Chair, Philip Ingleby and am confident that he will guide and support us as our staff, volunteers and supporters continue to work hard to provide end of life care for our community."

Giles Tomsett Chief Executive



OUR VISION

A world where everyone can face death informed, supported and pain free.

OUR MISSION

Pioneering standards in expert care and support for anyone facing death and bereavement.

OUR VALUES

Integral to all that we do:

Human

We treat people with understanding, patience, respect and above all dignity. We are the welcoming smile, the talk over a cup of tea, the human touch.

Courageous

We stand firm, we do not flinch in the face of hard news, but always with humanity, sensitivity and respect for our community.

Energetic

Whether we're out running a fun run or at the hospice greeting our patients, we bring the energy and the optimism to make the most of every day.

Connected

We are not an island, we thrive on partnerships and working with others, we believe we're better and stronger together.

Expert

We are looked up to by our community and peers as the organisation to go to for knowledge, training, best practice and latest techniques.

OUR STRATEGIC AIMS:

- **Provide a good death for everyone we care for**
- **Focus on wellbeing, including bereavement**
- **Develop models of care**

DELIVERING CARE

OUR SUCCESSSES IN THE YEAR

- The hospice clinical teams have moved successfully and smoothly to the new St Catherine's site, settling into the new environment with minimal disruption to the care we provide. We have also used this opportunity to develop new initiatives, for example reconsidering the equipment used in emergencies on the ward.
- We have continued to develop and restructure the teams that provide care, and those who support them, to ensure that clinical staff have increased time to spend on the delivery of care and to meet the needs of all people approaching the end of life.
- We have further progressed working geographically to improve continuity of care and to build closer relationships with external healthcare professionals.
- Our Wellbeing and Therapy teams have launched new groups in our Wellbeing Suite, some focusing on common symptoms seen in people approaching the end of life, and some to offer social opportunities and emotional support.
- We have developed new links with Chestnut Tree House Hospice in Sussex and have worked collaboratively to develop pathways for the transition of young people with life limiting illness to adult palliative care services and how they can be best supported.
- We have been considering how we meet the needs of frail people and have successfully introduced regular use of frailty scores to clinical practice.
- We have created and delivered a Frailty Education Plan for nurses working in care homes, to help those teams understand more about the condition and how best to support those living with frailty.
- With funding from Hospice UK and the Kirby Laing Foundation, we have collaborated with Primary Care Network colleagues to run three five-week programmes to support people to live well with frailty. This covers various aspects including exercise, the importance of medication reviews and advance care planning.

- We have worked closely with colleagues in East Surrey to develop the concept of Ageing and Dying Well Integrated Neighbourhood Teams.

OUR FUTURE PRIORITIES

- We will continue to explore how the clinical teams can work most effectively and efficiently to meet the needs of those we are looking after, working collaboratively with other teams supporting people in the community. This will include a test of a more integrated model of care in two neighbourhoods in East Surrey.
- We will continue to explore what groups and clinics that can be offered for both the people we support and those close to them in our Wellbeing Suite. This will include a further Ageing Well Programme for people with frailty, run with support from the Kirby Laing Foundation via Hospice UK.
- We will continue to work closely with Shooting Star Chase Hospice in Surrey and will jointly build links with hospital paediatric palliative care teams to ensure smooth transition between services.



OUR MEASUREMENT AND IMPACT

- Our latest CQC (Care Quality Committee) inspection was carried out in 2016 with an overall rating of “Outstanding”. We regularly met with our CQC Relationship Manager until the monitoring process changed to maintain our expertise. We worked with CQC to commission our new premises.
- We are accredited with CHKS (Comparative Health Knowledge System) whose framework informs our internal Quality Management System.
- We provide annual submissions to the NHS Data Security and Protection Toolkit to provide assurance that the hospice is practicing good data security and that personal information is handled appropriately.
- 86% of people, families and carers asked said they would recommend St Catherine’s Hospice.
- 100% of families and carers were offered the VOICES bereavement survey.
- We received a total of 19 complaints about our clinical service delivery in the year. Of those 19 complaints, five were upheld and seven were partially upheld. 84% of complaints were responded to within the target of 25 days. We recognise there is room for improving and are working towards this improvement through staff training, reviewing our incident and complaints software and a renewed focus on our governance procedures.



Supporting people facing death and bereavement:

- 70% of people told us where they would like to die.
- Only 16% of the people we supported died in hospital.
- We provided 2,126 one-to-one counselling sessions.

Providing individualised support

- 100% of people we cared for received an individualised assessment and care plan.
- 1,637 people accessed our wellbeing services.
- Multi disciplinary team support was available to 100% of people referred to us and those close to them.

Harm free care

- We have had no acquired MRSA cases this year. We had a number of COVID related cases with an outbreak being declared during the summer of 2023. We were able to manage the outbreak in a way that did not necessitate the closure of the inpatient unit and admissions were able to continue. The last COVID case was in January 2024.
- We now have in place a new service level agreement with Sussex Community NHS Foundation Trust to provide infection, prevention and control (IPC) advice and guidance. Following our transition to Grace Holland Avenue, they completed an IPC audit in February 2024. An internal audit against the national IPC manual was completed in December 2023.
- All employees and volunteers are required to attend safeguarding training and our safeguarding team are on hand to offer continued support across the organisation.
- On the inpatient unit, there was one fall that resulted in moderate harm to a patient and no falls that resulted in severe harm to a patient.
- We submitted 9 Deprivation Of Liberty Safeguards applications during the 12-month period.
- Our training package for Duty of Candour was implemented and compliance with staff completion of this is monitored in governance meetings.

“IT’S AN HONOUR TO BE THE FIRST PERSON HERE”

It was an emotional day when we finally opened our doors to the first patient at Pease Pottage. It marked the last stage of our transition from Malthouse Road into our new home on Grace Holland Avenue.

The first person onto our state-of-the-art wards was Peter Griggs, who was warmly welcomed by St Catherine’s Chief Executive, Giles Tomsett, Ward Manager, Shelley Goshawk, and members of our clinical team.

After settling into his room Peter said, *“I was quite overcome when I arrived, it’s an honour to be the first person here. The room is so lovely and spacious and I love being able to look out into the garden. It’s really beautiful and very comfortable too.”*

Peter spent a few days on our Meadow Ward before successfully returning home, as planned. We caught up with Peter’s daughter Rhoda, who reflected on the whole experience:

“We felt so privileged that Dad was the first patient into the new hospice. We are a travelling funfair family and coming from our background we can be discriminated against. So, for Dad to be first was quite overwhelming.

“The minute you walk through those doors it’s like massive arms wrapping around you. I knew that I was safe and Dad was safe.

“Everyone has time for you, you’re not just a number, you are a person. Every day the staff not only looked after Dad, they also checked I was ok. People would come and talk to us. It’s not just the nurses – it’s the receptionists, the chefs, the cleaners, everyone. There’s not one person who isn’t lovely.

“Dad’s still talking about the food – he was telling a friend the other day that the food was really beautiful. Dad is a bit of a funny eater, but the chef spoke to him and checked what he wanted to eat and if there was anything else he wanted.

“My mum died last March and since then Dad said he’d not been living, he’d been existing. But St Catherine’s felt like a big, lovely family and they



helped to get Dad back to how he used to be. He was smiling and laughing and being himself again.

“We were all worried when we found out Dad was going into the hospice – it felt like the final stage, but now we know there’s nothing to be scared about. It’s wonderful that Dad was well enough to come home again. Even though I can’t give him 24-hour care like the hospice, the staff have reassured me and given me all the details for who to contact if I have any problems.

“Dad still can’t get over it – he tells every person he speaks to that he was the first person to be cared for in the new hospice and he says, “How lucky was I?”. He keeps saying it’s like a five-star hotel!”

Peter later returned to the hospice where he died peacefully surrounded by his family in January 2024. We’re very grateful to them for letting us share his story, and offer our sincere condolences to everyone who knew this remarkable man.

"I love my job! I think this is the best job in the world. I love coming to work. I know I'm making a difference for people. We can make time for people. If they need me for 20 minutes, I give them 20 minutes. But if they need longer, I can give them more time. Ultimately, I chose to become a nurse to help people and I feel I am doing that."

Tim Wallington, Senior Staff Nurse



2581 PATIENTS AND FAMILIES WERE SUPPORTED IN THE COMMUNITY AND **254** IN THE INPATIENT UNIT

WE PROVIDED **3,951** DAYS OF INPATIENT CARE, WITH AN AVERAGE BED OCCUPANCY LEVEL OF **92%** AND AN AVERAGE LENGTH OF STAY OF **17** DAYS



OUR COMMUNITY TEAMS MADE **4354** HOME VISITS AND **30578** TELEPHONE CALLS OF WHICH **8739** WERE PLANNED CALLS WITH PATIENTS OR CARERS



REACHING THOSE WHO NEED US



WE MADE **3591** VISITS TO PEOPLE'S HOMES SUPPORTING IN PRACTICAL CARE



WE PROVIDED **295** PEOPLE WITH SOCIAL CARE SUPPORT



STRATEGIC SUPPORT 1

QUALITY AND EXPERTISE

Build on our current level of expertise and demonstrate that we are CQC Outstanding.

OUR SUCCESSES IN THE YEAR

- We have reviewed our governance structures including updating all policies and procedures to ensure they are appropriate for our new site and that they will support us to maintain our CHKS accreditation.
- We have been involved in the development and pilot use of a pan-Sussex medication administration chart which we hope will be launched this summer.
- We have continued to develop the electronic patient record software “SystemOne”, improving integration between different healthcare systems, such as the pathology software at SASH (Surrey and Sussex Healthcare NHS Trust). We have optimised our use to maximise efficiency and communication with those that we look after and healthcare colleagues.
- We have continued to develop our medical training posts. This has supported the implementation of the Palliative Medicine Higher Specialty Training Programme and has also allowed us to provide more community experience for those doctors placed with us as part of their General Practice training programme.

- CQC registration of the new hospice was granted without any required remedial actions.
- All staff and patients were able to transition to the new hospice in line with planned timings.
- Water, fire, infection, prevention control, environmental health and insurance inspections of the new facility had no significant remedial actions required.

OUR FUTURE PRIORITIES

- We will review the information that we provide to the people we are looking after, those that are close to them and for other healthcare professionals, considering the content and the format that this takes.
- We are exploring opportunities to gain more immediate feedback from the people we support and those looking after them, both on the care that we provide and how we can improve in the future.

OUR MEASUREMENT AND IMPACT

- The new building is fully compliant to regulatory requirements. Informal feedback about the facilities from people we support has been overwhelmingly positive.

The people we care for:



**64% HAD
A CANCER
DIAGNOSIS**



**MALE = 46%,
FEMALE = 54%**



**45% LIVE IN
SURREY AND
54% LIVE IN
SUSSEX**



**65% ARE 75
OR OVER, AND
6% WERE AGED
UNDER 55**



**1637 PEOPLE
ACCESSED OUR
WELLBEING
SERVICES**

STRATEGIC SUPPORT 2

INCOME GENERATION

Empower our community to raise the money needed to provide the best possible hospice care, now and in the future.

FUNDRAISING

Our successes in the year

- Our community and events fundraising has returned to pre-pandemic levels, despite the ongoing impact of the cost-of-living crisis and peoples' propensity to give.
- We successfully recruited a team of over 50 trekkers to take on the 'Trek to Petra' in November 2024, with a second week required to meet the popular demand.
- We celebrated running our lottery for 25 years, with over £16 million raised in this time.
- Prior to opening to patients, we welcomed over 1,000 supporters to our new home at Pease Pottage in the Autumn. We hosted guided tours and events, as well as a special Open weekend where we invited the community along for self-guided tours, helping to demonstrate the impact of their support, particularly over the last 10 years.
- We returned to the water alongside our corporate supporters for the first Dragon Boats Festival event following the pandemic.
- Our volunteer led Golf Society raised over £31,000 meaning the society are on track to raise £250,000 since the society began.
- We hosted 239 corporate volunteers to build an ambitious garden trail in our new hospice grounds.
- We completed fundraising for our new building including securing a six-figure trust donation.

Our future priorities

- We will continue to build back and maximise our income opportunities to support the organisation in the delivery of our services, enabling exceptional standards of care.

- We will look for ways to attract new donors across the communities we serve, as well as stewarding of our existing supporters.
- We will use events and face-to-face activities to engage with communities across our patch and to demonstrate our commitment to everyone in West Sussex and East Surrey.
- We are committed to being insight led, and we will consider both internal and sector-wide trends and insight to make informed key planning decisions.

Our measurement and impact

- Our incredible donors gave over £8 million to deliver our care services and complete the build of our new site at Grace Holland Avenue.
- For every £1 spent on fundraising activity we raised £5 including legacy donations.
- We are registered and regulated by the Fundraising Regulator and Gambling Commission and fundraise in accordance with the Charities Act.
- We received and managed five complaints in the year about our fundraising activity against four complaints in the prior year (2022/23).



RETAIL

Our successes in the year

- We are so grateful for all those in the community who shop, donate or give their time by volunteering in our charity shops. We are delighted to have seen so many of you over the year and have received some fantastic donations! Overall, our charity shops have seen a good year in terms of money raised and we have seen an increase in both income and customer numbers.
- This year saw our first full year of trading in our new shop in Carfax, Horsham. This has proven a hit with the community and shown us how a change in location or size of shop can make a big difference with an increase in income of 89% compared to last year. It is fantastic to see our pre-loved bridal and prom offerings doing so well and since the shop opening, Catherine's Bridal has taken over £20,000 and sold 574 items.
- Following this success we have used the same model to inform our retail plans and have recently opened a new shop in East Grinstead, just a few doors down from the old shop, but with larger premises and again featuring preloved Catherine's Bridal. Early results are hugely promising and we are seeing a 120% increase in our first 4 weeks of opening!

Our future priorities

- As we look to the year ahead, we are hopeful the positive performance of our new shops continue and we will explore opportunities for larger shop premises across our patch.
- We have begun working with an organisation called 'Recycle your Cycle', who collect abandoned bikes across the UK and then work with the prison service to create bicycle repair shops in prisons, helping those in need to gain new skills and improve their employment prospects. Once refurbished the bikes are then supplied to charities to sell for additional funds. These have been introduced in a selection of our charity shops and are proving extremely popular to date and we will look to expand this in the months ahead.
- We are working with the online platform Shopiigo and World of Books to support our online retail offering.

Our measurement and impact

- We saw a 25% increase in shop sales over the year
- 2,257 people signed up to gift aid their shop donations.
- We sold over 136,000 items of clothing, over 76,000 books and nearly 5,000 items of furniture across our shops.
- This means we saved over 2 million kg CO2 Emissions and over 1 million trees absorbing CO2.



STRATEGIC SUPPORT 3

PEOPLE

Maximise professional and personal achievement of our people through focused and recognised contribution, in an inclusive, value-led culture.

Our successes in the year

- We have continued to develop the knowledge base and competency of our staff, by taking opportunities for our senior staff to work alongside and observe less experienced colleagues both in people's homes and on the ward. We are using competency frameworks for our clinical staff to identify gaps in skills and knowledge which will be used to plan our developmental training.
- Schwartz Rounds have successfully been re-launched offering a forum to reflect on the emotions and demands of working in a hospice environment delivering palliative and end of life care.
- We have built new relationships with Mid-Sussex Council and developed current relationships with Crawley, to continue to provide a healthy supportive workplace for all our staff teams.



- We have continued to develop our equality, diversity and inclusion (EDI) provision by continuing with our EDI group developing an inclusion policy and delivering deaf awareness training.
- We rolled out the Charity Retail Learning (CRL) system for trading colleagues, alongside bespoke volunteer management training for managers.
- It was our most successful year for volunteer enquiries, with over 940 people enquiring to volunteer, converting to 355 new starters; alongside our most successful round of trustee recruitment activities, attracting 60 enquiries and 30 applications.
- We reviewed and updated our lone working procedures, providing safe and practical steps for our employees and volunteers.
- We increased wellbeing support for all employees around change in preparation for the move to our new home on Pease Pottage.
- We inducted 100% of hospice staff and volunteers into our new home before moving in. This included orientation to the building, health and safety as well as learning how to use new equipment.
- We implemented a new learning management system for our staff and volunteers as part of a collaboration with four other Sussex Hospices.
- We acknowledged the impact of change with our move to our new home at Pease Pottage and as such ran 'Wellbeing January' providing opportunities for employees to attend massage sessions, wellbeing lunch and breakfast options and fruit bowls in break out areas, yoga sessions, walking groups and wellbeing MOT's.
- We have developed our recruitment practices to ensure we are inclusive.
- We have benchmarked salaries and roles to ensure we are paying the correct salaries for roles, whilst acknowledging the broader difficult financial environment.

Our future priorities

- We will develop and utilise digital systems for recruitment to improve efficiencies and user experience for applicants and recruiters.
- We will develop our volunteer roles, looking at new and innovative opportunities, and further develop our Alumni programme for engagement of past volunteers.
- We are exploring increasing our awareness and meeting the criteria to be 'disability confident level 3'.
- We are reviewing all the structures of our teams to ensure they are fit for purpose, efficient and affordable.
- We will continue to develop our relationship in the community to ensure we remain an employer of choice.
- We will review our access to training during 24-25 against EDI criteria.
- We will invite our staff to complete our bi-annual staff survey and act on any findings and improvements needed from this.

OUR MEASUREMENT AND IMPACT

Volunteering

- We have 868 active volunteers and recruited 355 new volunteers.
- We processed enquiries from 940 people wanting to volunteer (nearly 100% increase on 22/23)
- 44% of our new starters are under 25
- 55 volunteers received Long Service Awards for reaching milestones of between 5 and 35 years, with a combined service of over 629 years.

Learning, Education and Development

- 106 new starters were inducted to the organisation.
- 92% compliance to our statutory and mandatory for role training which is 3,290 modules.
- 303 external delegates received our training.

Human Resources

- Employee turnover reduced to 17% from 20% last year.
- Absence across the organisation is under 4% again, a reduction on last year. Considering the impact of covid and winter pressures and the relocation to our new home this is a real success.
- We are now reporting on EDI data on staff and volunteers.



STRATEGIC SUPPORT 4

BRAND AND MARKETING

Everyone in our community to know about St Catherine's and want to support us.

Our successes in the year

- We celebrated our 40th anniversary and invited our community to share memories in a time capsule which was buried at our new hospice.
- We shared engaging updates on the progress of our new hospice and organised public tours, building excitement towards the opening in December. Alongside our construction company Barnes Construction we were able to facilitate over 2,000 people visiting our site before it was opened (including a month of supporter activity in November 2023 which attracted 1,000 people).
- We gave our community the chance to say goodbye to our Malthouse Road site with an open week held in October and a book to capture important memories.

- We launched a new website with a patient focussed approach, simplified design and improved performance.

Our future priorities

- We will continue to utilise opportunities to engage with our community, particularly under-represented groups, and promote positive conversations around death and dying.

Our measurement and impact

- We gave our community many opportunities to be involved in a momentous year for St Catherine's, and recognised the emotional aspect of our transition to a new home.
- We have grown our social media communities by 4% and continue to generate good engagement.





CAPTURING 40 YEARS OF OUR CARE

Thanks to your unwavering support, 2023 is a significant year in the history of St Catherine's. Not only did we celebrate 40 years since we began providing expert care in 1983, but it is also the year we moved into our new home in Pease Pottage and said farewell to our hospice in Malthouse Road.

To capture this momentous milestone year and pay tribute to the last four decades of care, we buried a time capsule in the reflective garden of the new hospice.

Our hope is that the time capsule will be uncovered in another 40 years' time when we are celebrating our 80th anniversary in 2063! Within the reflective garden there will be a plaque highlighting where it is located for our future hospice community to see.

The time capsule was filled to the brim with memorabilia, historical documents, photos of Royal visits from The Queen Mother, Princess Diana and The Duchess of Kent, charity merchandise and even a trowel that was used to help build our new hospice.

However, most poignant of all the items were the personal testimonies, including photos, memories and even poems. There were memories of parents,

husbands, wives, partners, daughters, sons and friends whom St Catherine's has had the privilege of caring for at the end of their lives and their memory will live on with this capsule. Our sincere thanks to everyone who sent in a contribution.

At a small time capsule ceremony, our Chief Executive Giles Tomsett said:

"Let us hope that when this time capsule is opened in 40 years' time, the next generation will have continued our cause to ensure that there is the best end of life care for everyone and that all local people face death informed, supported and pain free.

"I have no doubt that, thanks to the drive, determination, imagination, and passion for our work, St Catherine's will continue to lead the way with exceptional local palliative and end of life care services – grounded in its founding principles of outstanding care, compassion and understanding."

Our time capsule represents all that has gone before us and everyone who has had a part to play in this incredible organisation so far, like you. It also marks the end of an era and the start of an exciting new chapter in our history as we transition from Malthouse Road into our new home on Grace Holland Avenue.



Burying the time capsule at our new hospice.



HRH The Queen Mother laying our original foundation stone in 1982

STRATEGIC SUPPORT 5

INFRASTRUCTURE AND RESOURCES

Optimise the value of charitable funds through effective and efficient use of all charity resources.

Our successes in the year

- We successfully managed the close down of the Malthouse Road site and its ongoing maintenance whilst vacant.
- We managed the transition of the Site Service Team to Grace Holland Avenue, while running teams across both sites when needed.
- We developed and launched new operating standards.
- We delivered health and safety inductions to our new site and implemented new fire procedures and learnings from Fire Drill.
- We opened the Woodgate Cafe and Community Hub, quickly establishing a client base and the leasing of the meeting space to regular bookers.
- The Woodgate Café & the main hospice kitchen both achieved five-star hygiene rating.

Our future priorities

- We will continue to work in partnership with Crawley Borough Council to complete the sale of Malthouse Road whilst respecting the local community and those with an emotional connection to our old site. This is a vital part of our organisation's future cash flow.
- We will develop a clear maintenance schedule for Grace Holland Avenue, including a decoration programme for the next five years.
- We will be ready to increase our room occupancy once resources and funding is available, ensuring we have capacity within our teams.
- We will have a clear business plan for the Woodgate Café and demonstrate an increase in profitability.

- We will work with Income Generation to engage supporters to help maintain the five-acre site.
- We will explore maximising the use of space at our new home including exploring third party options.

Our measurement and impact

- We successfully retained our workforce during the transition to our new home.
- Our new building has improved service delivery and our ability to be even more flexible around meeting patients and their loved ones needs, such as holding events like weddings within the grounds.
- The procurement of modern catering equipment supports a more varied selection of menus, and new housekeeping equipment ensures compliance with IPC standards.
- Overwhelmingly positive feedback from patients and families enhances our reputation and our ability to raise funds from supporters.



OUR FINANCIAL PERFORMANCE 2023/24

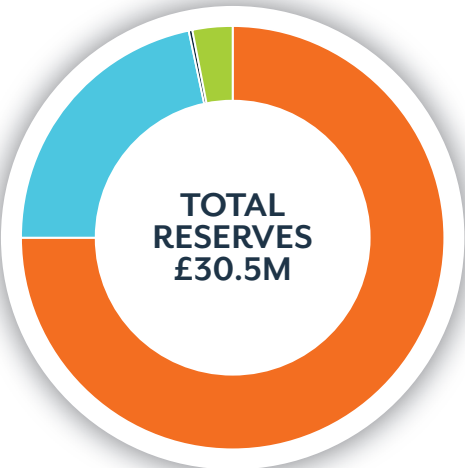
OPERATIONAL INCOME AND EXPENDITURE



- £4.0m Charitable Activities
- £3.6m Legacies
- £3.5m Donations
- £3.0m Trading Activities
- £0.3m Investment Income
- £0.3m Net Gains on Investments
- £0.2m Other Income



- £8.8m Charitable Activities
- £2.8m Trading Activities
- £1.6m Donations



- £22.8m Unrestricted Fixed Assets
- £6.6m Unrestricted Free Reserves
- £1.0m Designated
- £0.1m Restricted



- £4.6m Investments
- £1.8m Cash & Equivalents
- £0.2m Current Asset Investments

We have seen our income rise this year as a result of increased legacies, which, while supporting our cost base as we have transitioned to our new hospice at Grace Holland Avenue, Pease Pottage, we are cognisant that the reliance on this welcomed income stream is treated with caution, given its obvious variability.

Our retail shops have continued to perform well, with a full years trading at our flagship in Horsham, allowing us to monitor the new model and opening another larger premises in East Grinstead for the financial year 2024/25.

In the year we also opened our coffee shop and function rooms as part of the local community provision, which whilst carrying expected losses in the first year, has been well supported as we see activity grow.

We have continued to be impacted by pandemic changes in operation and the cost of living crisis which are softening our fundraising income streams as we are experiencing increased costs, especially salary related increases in tandem with minimal statutory funding increases.

As we said last year, we have focused the last year on rebuilding our services to support our move to our new hospice to meet our strategic aims and long term sustainability and this has continued to pose pressure on our cost base during this financial year. We have monitored this closely and will be taking actions during the financial year 2024/25 to address our performance in the current economic climate.

Following the completion of our new hospice in November 2023, we have capitalised the full cost of our asset and are holding the net book value of the site at Malthouse Road, pending its sale. We are continuing to work with Crawley Borough Council with the sale of our current site, providing the final funds required for the project which are currently supported by our free reserves.

Our resultant net income was £1.7m in the year of which £0.7m is attributable to unrestricted net income. Our free general reserves position was £6.6m as at 31st March 2024, after allowing for the pending asset disposal of Malthouse Road.

FINANCIAL OUTLOOK 2024/25

Operational Performance

Our forecasts set in February 2023 delivered an outlook for 2023/24 with a loss of £1.2m, which was overachieved given the greater legacy income received in the year. We continue to monitor performance and review our forecasts on a quarterly basis, ensuring risks and opportunities are reflected so we are able to take measured decisions.

Our budget for the financial year 2024/25 expects a loss in the year of £2.4m moving our free general reserves position to £5.6m. This position assumes the completion of the sale of Malthouse Road and prudent forecasting of legacy income, in accordance with our five-year forecast.

FUTURE SUSTAINABILITY

There are three key areas of focus set out by the Trustees to ensure our strategic delivery is delivered in a financially sustainable manner and are reflected in our forecasts.

FOCUS AREA 1: RISK

Risk 1: Changes in population demographics and service need (QC oversight)

As our population ages and those who are approaching end of life do so with a greater complexity of need, the demands on our services require enhanced skills for an increasing number of people, and without action we risk not being able to meet this need in a safe and effective way

In response, we built our new hospice and have expanded our teams to support this demographic change. We are cognisant that, in responding to this increasing need, we must ensure to make the best possible use of our expert clinicians, working in collaboration with health and social care colleagues working in primary, community and secondary care. We also need to work collaboratively in providing wellbeing support and signposting to other specialist and/or voluntary organisations where appropriate. Without this collaborative work, we cannot effectively respond to this changing and increasing need.

Risk 2: Our positioning in the healthcare system

We have a current reliance on inadequate NHS grants and poorly specified block contracts to support the delivery of our core services in the hospice and community. Compounding this statutory funding is not matched with appropriate annual inflationary increases. This, along with the agenda for change increases and doctor salary considerations in the NHS, results in a real time decrease year on year, impacting on our ability deliver our services and to recruit and retain key clinical roles.

Effective engagement with our statutory partners means that realistic forecasts are maintained whilst continuing to make the case for sustainable funding models. We are currently working to integrate with our system partners via a pilot which will roll out if successful to join services at PCN level, removing lengthy referral processes and having a joined-up approach to patient care. This approach will help us to identify a service driven cost model in an attempt to agree an efficient and sustainable funding formula for future contracting with the NHS.

Risk 3: The economic climate impact upon income generation

The current cost of living crisis in tandem with other world events has impacted not only our cost base but also our ability to raise funds at the level needed to support this cost base as the propensity for giving from our community of supporters has been impacted during this time. Our largest cost is our staff, which with the NHS agenda for change and National Living Wage impacts, annual inflationary salary increases have needed to be above those forecast.

We have been fortunate that the last few years we have seen pandemic government support, which has now ceased. Our financial position is modelled with a current and 5 year forecast process aligned with our monthly management accounts reporting and budget holder's review, additionally reviewed quarterly by our Board of Trustees. Income generation streams are routinely monitored and forecasts updated in line with market conditions. It is against this background that we now have to forecast revenue and consequently size our organisation to ensure future sustainability of the charity and core services.

Risk 4: Reliance on legacy income

A significant income stream for St Catherines, is that of legacies. However, its variable nature, requires prudent forecasting to ensure we are not over reliant.

Although legacies will remain an important part of our portfolio we have to adopt a conservative approach to any forecast. We are working on a revised legacy strategy, including being part of the Hospice UK national legacy marketing campaign and will begin foresight work shortly.

Risk 5: Poor leadership of the organisation

In the current operational environment, the lack of good leadership would lead to us being unable to navigate currently identified external factors, an inability to potentially identify and react to new risk factors in a timely manner and to provide adequate strategic thinking, direction and mitigations to ensure our future sustainability.

Our major control mechanism for this is the Integrated Governance Framework. Clear structures and transparent succession plans, allowing for open and effective utilisation of leadership resources across the organisation.



Risk 6 - Failure to meet regulatory requirements

Through ineffective leadership, training, monitoring or extraordinary circumstances that may lead to non-compliance recognised by external regulatory bodies, affecting our ability to operate our care services or fundraise.

A full suite of audit and compliance measures are in place, cognisant that cyber and intellectual property matters are now very much at the forefront of organisational compliance and security. The Information Governance structure is being bolstered by senior leadership focus and updated organisational roles alongside the ongoing regulatory assurance audits. Effective insurance is also in place to allow swift and effective access to support should any incidents occur.

FOCUS AREA 2: RESERVES

St. Catherine's reserves policy is to maintain free reserves at a level that is sufficient to protect services from the potential financial impact of known significant risks over the short to medium term. The focus of this policy is aligned to Free General Reserves as these reserves support operational activities.

The Trustees have agreed that in order to set a relevant free general reserves policy level which is in the charities best interests, a risk centered approach is most valid.

The Trustees recognise that as a healthcare organisation, the risk of full closure has always been low, given that alternative arrangements would be made to continue operations, which is addressed in our Business Continuity Plan. However, as we emerge from the pandemic and navigate the current cost of living crisis, complacency in this regard would be foolish. We have therefore adapted our policy to include the scenario where insolvency and redundancy for all staff is modelled and sits firmly in our strategic risk register.

The Trustees regularly review the hospice's strategic risk register which forms part of the Governance Framework.

Following appraisal of operational performance over the course of our current forecast period to FY 2028, the risks and opportunities associated with this and the redundancy and working capital exposure requirements, the Trustees have approved a free reserves requirement of between £9.1m and £3.1m.

Our free reserves as at 31st March 2024 were £6.6m, (31st March 2023: £8.4m). The calculation of free reserves is set out in Note 19 to the accounts.

The net movement in reserves in the year is set out in Notes 19 to 22 to the accounts.

FOCUS AREA 3: INVESTMENTS

The overall investment objective, which represent reserves held consistent with the reserves policy, is to provide financial security and stability, recognising that the charity is exposed to a degree of financial risk due to the variable and uncertain nature of its fundraising and NHS income. The Trustees seek to produce the best financial return within an acceptable level of risk.

Investments are divided into those expected to be held for a short-term (0-3 years) and long-term time horizon (3 years plus). The investment funds have separate return objectives.

Short Term Funds:

The Trustees require short term funds to support all known capital, operational, designated fund and restricted fund requirements in the next 3 years.

The investment objective for the short-term fund is to achieve a return in excess of short-term bank rates through investing in one or more Common Deposit Funds authorised by the Charity Commission with a Fitch rating of at least AAA.

Long Term Funds:

The Trustees require all funds in excess of the short term fund to be deposited in long term funds.

The investment objective for the long-term fund is capital preservation with some potential for capital appreciation, with a return over a rolling 5 years which exceeds CPI +2%.

The Trustees have adopted an ethical investment policy to ensure that its investments do not conflict with its aims or lead to reputational damage.

The Financial Sustainability Committee has responsibility for agreeing the investment strategy, setting benchmarks and monitoring the investment assets on a quarterly basis.

A formal evaluation of each fund managers' performance and consideration of the need to undertake full market testing is undertaken every 3-5 years.

Note 14 gives further information on the Investment position as at 31 March 2024.

Going Concern

Our five year forecasts have been reviewed in support of our strategic ambitions whilst modelling risk and cash management. We have acknowledged that the risks we now face are largely outside of our immediate control but have a significant impact on our ability to meet our ambitions whilst maintaining free reserves and cash management in the short to medium term.

As a result the Trustees have agreed an organisational restructure with a view to reducing our cost base by £1.5m, in tandem with concerted efforts, through an initial pilot, to work in a more integrated manner with our statutory partners to drive not only efficiencies but greater patient satisfaction. To this end we have provided £0.35m of designated funds to support restructuring costs that are expected in the coming year.

Whilst this cost saving does not address the full impact of forecast shortfalls, the Executive Team and Trustees are comfortable that our reserves position will support this level of saving and allow us to maintain services at an acceptable level which can be dialled up as and when the economy and other identified risk areas outside of our control improve.

Having reviewed and formally agreed the forecasts and cashflows prepared in February 2024, together with the Executive's business plan, the Trustees believe, to the best of their knowledge, that the charity remains a going concern for at least the 12-18 month period from the date of approval of the financial statements.

Structure, Governance and Management

The directors are also the Trustees of the charity for the purposes of company law and as such are responsible for the management of the hospital's affairs and its future strategy. The Trustees are required to hold at least four Board meetings a year. There are five committees, chaired by a Trustee which are attended by the appropriate Senior Management Team Member(s), which meet prior to and feed into each Board meeting.

- Financial Sustainability Committee (includes income generation activity)
- Joint People and Development Committee and Board Effectiveness Committee

- Quality Committee
- New Build Project Board (Chaired by VP)
- Remuneration Committee (Chief Executive remuneration only)

Rotation, recruitment, appointment and induction of Trustees

The Trustees consider it essential that the Board is strong, well-balanced and effective comprising members with the requisite professional skills and experience in healthcare or local services to properly represent users of the charity's services. Looking forward, the Board will carefully consider how it increase its diversity and inclusion to better meet the needs of the local population.

Trustees are recruited through local advertising and a robust selection process. Trustees serve for a maximum of two terms of four years each.

An induction programme is provided to all new directors. They are advised of their responsibilities as directors and Trustees, including their legal obligations under charity and company law and the charity Commission guidance on public benefit, given copies of the charity's governing documents, and are appraised of the charity's aims and activities, current financial performance and its plans for the future. All Trustees receive an annual performance review and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

The General Meeting was held in person this year, where the Trustees provided an overview of our achievements and future plans, allowing additional challenge to the Trustees and the organisation, on behalf of the community.

Senior Management Team

The Board delegates the day-to-day management of the hospice to the Chief Executive, and the officers of the company:

The charity has set up a clear pay progression arrangement for its senior leaders which reflects arrangements in place for all staff and managers. As the charity strives to make its reward offer as competitive as it can afford, it will continue to consider managers and senior management remuneration. The pay points for the Senior Management Team are now in place having recently been set, using benchmarks for similar sized charities. Pay progression for these senior officers is delegated to the Chief Executive. The Chief Executive's pay also progresses over several pay points and progression is agreed by the charity's Remuneration Committee.

The Senior Management Team meets weekly, rotating meetings to review strategy and business plan delivery, the quality management system across all activities, risk management and operational service performance, including budgetary review and regular reforecasting. The SMT have been trialling the closer engagement of the charity's senior managers recognising the risk that the pandemic might impact the availability of leaders at any time. This pilot has proven very successful and will be consolidated within the charity's Integrated Governance Framework.

Information is cascaded to the Heads of Department and key managers in two monthly interactive update sessions and to staff through appropriate all staff meetings, awards events and departmental team meetings. In the last year all meetings were held virtually. Trustees are invited to attend these meetings periodically to assure themselves of the quality of communication, education and training that is being provided.

Charitable Objectives

The hospice's charitable objectives which were set by the Trustees, with due regard to the Charity Commission's guidance on public benefit, are:

- To relieve suffering, provide comfort and improve quality of life for people with progressive life limiting illness:

- To relieve the suffering of people facing or experiencing bereavement by the provision of counselling; and
- To advance research and education in palliative and end of life care.

Statement of Directors Responsibilities

The Board of Directors is responsible for the approval of the annual accounts, ensuring compliance with the Charities Act 2011, the Companies Act 2006 and the Memorandum and Articles of Association and Accounting and Reporting Statement of Recommended Practice applicable in the UK and republic of Ireland, FRS 102.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's strategic report the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- ensure compliance with the methods and principles in the Memorandum and Articles of Association and Accounting and Reporting Statement of Recommended Practice applicable in the UK and Republic of Ireland, FRS 102 which was effective from 1st January 2019.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

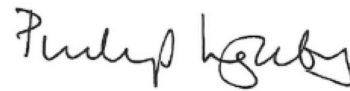
Details of directors' interests in contracts and related party transactions are given in note 10 to the accounts.

STATEMENT AS TO DISCLOSURE TO THE AUDITORS

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and the Trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditor, Kreston Reeves LLP, has indicated their willingness to continue in office. A motion reappointing the auditor will be proposed at the next Board meeting.

The Report of the Board of Trustees, incorporating the strategic report, was approved by the Board on 3rd September 2024 and signed on its behalf by:



Philip Ingleby
Chair of Board of Trustees



OUR TRUSTEES, SENIOR MANAGEMENT TEAM AND ADVISORS

Our Trustees

Philip Ingleby	Chair of the Board of Trustees from June 2024 Chair of Financial Sustainability Committee
Gregory Andrews	Chair of Quality Committee from February 2023
Nicola Neal-Smith	Chair of Board Effectiveness Committee
Richard Griffin	
Diana Riley	
Julia Elliot	Appointed June 2024
Jonathan Ellis	Appointed June 2024
Gary Needle	Appointed June 2024
Tom Lay	Appointed June 2024
Renee Hobson	Appointed June 2024
Terence O'Leary	Resigned June 2024 Chair of the Board of Trustees & Chair Remuneration Committee
Alison Livesley	
Catherine Blackburn	
Kate Midgley	Resigned June 2024 Chair of People and Development Committee
John Abbott	Resigned June 2024
Yolanda Fernandes	Resigned May 2024

Co-Optee

Andrew Wates OBE DL	Resigned March 2024 Vice President
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Our Senior Management Team

Giles Tomsett	Chief Executive
Sam Farr	Director of Care Services
Paula McGoveney	Director of Income Generation and Marketing
Cathy Heard	Finance Director
Elly Powis	People and Site Services Director
Patricia Brayden	Resigned September 2024 Medical Director
Paul Rycroft	Resigned May 2024 New Build Delivery and Collaboration Director

Our Advisors

Independent auditors:

Kreston Reeves LLP, Springfield House,
Springfield Road, Horsham, West Sussex
RH12 2RG

Principal bankers:

Barclays Bank Plc, 90-92 High Street,
Crawley, West Sussex RH10 1YX

Solicitors:

DMH Stallard LLP, Gainsborough House,
Pegler Way, Crawley, West Sussex
RH11 7FZ

Investment Advisors:

Sarasin & Partners LLP, Juxon House,
100 St Paul's Churchyard, London
EC4M 8BU

Rathbone Brothers plc, 1 Curzon Street,
London, W1J 5FB

Registered Office:

Grace Holland Avenue, Pease Pottage,
West Sussex, RH11 9SL

Company Number: 01525404

Charity Registration Number: 281362

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ST CATHERINE'S HOSPICE LIMITED

Opinion

We have audited the financial statements of St Catherine's Hospice Limited (the "parent charitable company") and its subsidiary (the "group") for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Group and Hospice Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2024, and of its 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual 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 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 our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and sector as a whole, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to Care Quality Commission (CQC) regulations, restrictions imposed by charity law on the use of restricted funds, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Charities SORP (FRS 102)

2019 and consider other factors such as sales tax and payroll taxes. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as legacy income recognition. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Reviewing correspondence with relevant tax and regulatory authorities including the most recent CQC inspection reports; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Kreston Reeves LLP

Lucy Hammond BSc FCA (Senior Statutory Auditor)

For and on behalf of Kreston Reeves LLP, Chartered Accountants and Statutory Auditor

Chichester

Date: 12 September 2024



Financial Statements

Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2024

	Note	Restricted £'000's	Designated £'000's	Unrestricted £'000's	Total Funds 2024 £'000's	Total Funds 2023 £'000's
Income						
Donations & Legacies	2	1,343	0	5,768	7,111	6,985
Trading Activities	4	0	0	2,957	2,957	2,755
Charitable Activities	5	0	0	3,955	3,955	3,118
Investments	3	0	0	308	308	279
Other Income		0	0	243	243	180
Total Income		1,343	0	13,231	14,574	13,317
Expenditure						
Fundraising & Investment Activities		0	15	1,578	1,593	1,462
Trading Activities		0	21	2,732	2,753	2,171
Charitable Activities		235	84	8,527	8,846	7,521
Total Expenditure	6	235	120	12,837	13,192	11,154
Net Income / (Expenditure) on Operational Activities	7	1,108	(120)	394	1,382	2,163
Net Gains / (Losses) on Investments	14,15	0	0	318	318	(388)
Net Income / (Expenditure) for the Year	8	1,108	(120)	712	1,700	1,775
Transfer Between Funds	20,21	(7,683)	(10,948)	18,631	0	0
Net Movement in Funds		(6,575)	(11,068)	19,343	1,700	1,775
Funds B/F as at 1st April		6,704	12,039	10,049	28,792	27,017
Funds Carried Forward as at 31st March		129	971	29,392	30,492	28,792

All gains and losses arising in the current and previous year have been recognised in the Statement of Financial Activities and arise from continuing activities.

The prior year comparators for each fund included above are included in notes 27 to 31

The notes on pages 34 to 56 form part of these financial statements.

Financial Statements

Balance Sheets as at 31 March 2024

Company Registration No. 01525404

	Notes	Group		Hospice	
		31 March 2024 £'000	31 March 2023 £'000	31 March 2024 £'000	31 March 2023 £'000
Fixed Assets					
Tangible Assets	13	21,461	2,669	21,461	2,669
Assets Awaiting Disposal		1,290	0	1,290	0
Construction in Progress - Pease Pottage	13	0	13,398	0	13,398
Investments	14	4,649	7,316	4,699	7,366
		<u>27,400</u>	<u>23,383</u>	<u>27,450</u>	<u>23,433</u>
Current Assets					
Investments	15	248	493	248	493
Stock	16	3	7	0	0
Debtors	17	2,449	1,739	2,520	1,740
Cash at Bank		1,825	5,370	1,731	5,291
		<u>4,525</u>	<u>7,609</u>	<u>4,499</u>	<u>7,524</u>
Current Liabilities					
Creditors: amounts falling due within one year	18	1,425	2,180	1,424	2,180
Net Current Assets		<u>3,100</u>	<u>5,429</u>	<u>3,101</u>	<u>5,344</u>
Total Assets less Current Liabilities					
		<u>30,500</u>	<u>28,812</u>	<u>30,525</u>	<u>28,777</u>
Creditors: amounts falling due greater one year					
	11	8	20	8	20
Total Net Assets		<u>30,492</u>	<u>28,792</u>	<u>30,517</u>	<u>28,757</u>
The Funds of the Charity					
Restricted Funds	20	129	6,704	129	6,704
Designated Funds	21	971	12,039	971	12,039
Unrestricted Funds	21	29,392	10,049	29,417	10,014
Total Funds	22	<u>30,492</u>	<u>28,792</u>	<u>30,517</u>	<u>28,757</u>

The unconsolidated net income of the Hospice in 2023/24 was £1,758,000 (2022/23 £1,744,000).

The Financial Statements on pages 31 to 56 were approved by the Board of Directors and authorised for issue on 3rd September 2024 and are signed on its behalf by:



Philip Ingleby
Trustee / Director

The notes on pages 34 to 56 form part of these financial statements.

Financial Statements

Consolidated Cash Flow Statement as at 31 March 2024

		31 March 2024 £'000	31 March 2023 £'000
	Notes		
Cashflows from Operating Activities			
Net Cash provided by / (used in) Operating Activities	25a	440	3,269
Cashflows from Investing Activities			
Divestment of Investments		3,200	6,000
Divestment of Current Asset Investments		266	3,300
Purchase of Investments		0	0
Purchase of Property, Plant & Equipment		0	(173)
New Build Construction in Progress		(7,451)	(10,868)
Net Cash provided by / (used in) Investing Activities		(3,985)	(1,741)
Change in Cash & Equivalents in the Reporting Period		(3,545)	1,528
Cash & Equivalents at the beginning of the Reporting Period		5,370	3,842
Cash & Equivalents at the end of the Reporting Period	25b	1,825	5,370

The notes on pages 34 to 56 form part of these financial statements.

Accounting Policies

Principal Accounting Policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The hospice meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy notes.

Legal Status of the Charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member.

Going Concern

Having given prioritised oversight of, the financial forecasts, cashflows and risk register during the year in response to the pandemic and its impact on future aspirations, the Trustees have realigned the hospice's future strategic direction to meet short to medium term constraints. The Trustees, therefore, consider that there are no material uncertainties about St Catherine's Hospice Limited's ability to continue as a going concern for the foreseeable future. The charity's free reserves position is currently within its reserves policy requirements which has been agreed on a risk-based profile. Medium-term forecast projections indicate that the charity's free reserves remain within its policy's acceptable limits.

Material Areas of Judgement

The most significant area of judgement and key assumptions that affects items in the accounts is the estimation of income from Legacies. The estimated value of each outstanding legacy at 31 March is calculated in accordance with the principles set out in the Donation, Grants and Other Income section below. Another significant area of assumption is in respect of depreciation of Fixed Assets. The rates of write down are shown in the Tangible Fixed Assets section below. The Trustees are satisfied that these write down rates are a reasonable reflection of the expected useful life of the assets in each class.

Group Financial Statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiary St Catherine's Hospice Trading (Sussex) Limited on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Fund 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 where the donor has specified they should only be used for particular areas of the hospice's work. The aim and use of each designated and restricted fund is set out in the notes to the financial statements. Investment income, gains and losses are allocated to the appropriate fund.

Donated Assets

Tangible assets donated to the hospice are recorded at the original estimate of their value to the company.

A donation of land was received in 2019/20 and accounted for in accordance with this policy ensuring the valuation was a fair value, carried out by external professional valuers, as defined within FRS102 being the "amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

Tangible Fixed Assets

Fixed assets other than donated assets are stated at historical cost. All assets costing more than £2,000 are capitalised.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write down each

Accounting Policies

asset to its estimated residual value evenly over its expected useful life, as follows:-

Freehold buildings	2% per annum on cost
Extensions and refurbishments	10% per annum on cost
Equipment (excluding leasehold improvements)	25% or 17% per annum on cost
Leasehold improvements	calculated on remaining length of lease
Computer Equipment	25% per annum on cost
Motor vehicles	25% per annum on cost

Taxation

The company is considered to pass the tests set out in the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation on income or capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

Operating Leases

Rental costs under operating leases are charged to the general fund operating account in equal annual amounts in accordance with the terms of the lease. Any benefits received or receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period of the lease.

Pension Contributions

The charity operates a defined contribution pension scheme, the assets of which are held separately from those of the charity in independently administered funds chosen by individual staff. Some staff participate in the NHS defined benefit pension scheme. Any resulting liabilities on this scheme would be met by the State. Therefore, contributions payable for the year in relation to either scheme are charged in the Statement of Financial Activities.

The company also participates in a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The charity is also making additional payments into the fund in order to eliminate the deficit. These payments commenced in April 2013 and are currently scheduled to continue until January 2025. To recognise the future liability and in accordance with FRS 102 the Trustees have agreed to make a provision for the present value of the outstanding deficit contributions.

Further details including the current buy-out debt amount and value of the provision are given in Note 11.

Donations Grants and Other Income

Income is recognised in the Statement of Financial Activities when the charity is entitled to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income has related expenditure (as with fundraising or contract income) the income and related expenditure are reported gross in the Statement of Financial Activities.

- In the event that a donation or grant is subject to fulfilling performance conditions before the charity is entitled to the funds the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income accrued in debtors.
- Income from NHS contracts, government or other grants, whether capital or revenue in nature are recognised

Accounting Policies

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

- Income, including sponsorship received in advance for a future fundraising event or for a grant received relating to the following year is deferred until the criteria for income recognition is met.
- Items donated for resale through the retail shops are included in the accounts when the items are sold.
- Investment income is included when receivable and the amount can be measured reliably, usually when the notification of interest payable is received from the bank. Dividends are recognised once the dividend has been declared and notification has been received of the amount due.
- Income from legacies is determined on a case by case basis in accordance with the following principles. Pecuniary legacies are recognised once probate has been granted and notification has been received that payment will be received. Residuary legacies are recognised once probate has been granted, provided that sufficient information has been received to enable valuation of the hospice's entitlement with sufficient certainty; amounts receivable are included at 90% of their valuation, to reflect the sector's experience of the uncertainty inherent in the administration of estates, subject to further reduction to reflect the impact of other factors such as the valuation of unrealised estate assets or subsequent adverse movements in property and investment markets. 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.
- All subscriptions for the lottery draws are deferred, with income drawn down each week. All other income received in one period but relating to future periods is shown as deferred income under creditors.

Donated Goods and Services

Donations of goods and services, including seconded NHS doctors, are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from its use is probable and the economic benefit can be reliably measured. These items are included in income at the estimated value of the gift to the charity when received based on the amount the charity would have been prepared to pay had it been required to purchase them.

Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements. Further details of their contribution are provided in note 12.

Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis once there is a legal obligation to make a payment, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is categorised under the following headings:

Costs of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies; investment management fees; costs of fundraising activities including the costs of goods sold, shop costs, commercial trading and their associated support costs. Fundraising costs do not include the costs of disseminating information in support of the hospice's charitable activities.

Expenditure on charitable activities includes the costs of providing specialist palliative care and support to patients, their families and the wider community; research and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the hospice and include governance cost, finance and office costs. Governance costs are those costs incurred in connection with complying with constitutional and statutory requirements of the charity. Where practicable irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are allocated to each of the activities on a variety of bases, principally headcount, floor area or time spent on activities depending on the nature of the support costs, to best allocate the costs to each attributable heading. More details on the analysis and basis of allocation is given in note 6.

Financial Instruments

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

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price, except

Accounting Policies

for the shares in the trading subsidiary which are carried at cost. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired during the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The charity does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity and bond markets due to wider economic conditions, the attitudes of investors to investment risk and changes in sentiment concerning equities and other instruments within particular sectors.

Stock

Stock of goods for resale is valued at the lower of cost and estimated selling price less selling costs. Stock donated for resale are not included in the financial statements until they are sold because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place to record these until they are sold and undertaking a stock take would incur undue cost and income loss for the charity which would far outweigh the benefits.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid deposits with a short maturity of 95 days or less from the date of acquisition or opening of the account.

Creditors

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

Supporting Notes to Financial Statements

1 Income

Income derives from the group's principal activities carried on wholly in the United Kingdom.

2 Income from Fundraising Activities

	Restricted £'000's	Designated £'000's	Unrestricted £'000's	2024 £'000's	2023 £'000's
Donations	6	0	2,010	2,016	1,962
Legacies	0	0	3,591	3,591	3,048
Other Grants	77	0	167	244	149
Donations in Kind	111	0	0	111	0
Capital Appeal - Pease Pottage	1,149	0	0	1,149	1,826
	1,343	0	5,768	7,111	6,985

3 Income from Investments

	2024 £'000	2023 £'000
Listed Investment Income	151	157
Interest Received -Investments held as Current Assets	8	26
Interest Received – Bank and Other	149	96
	308	279

4 Income from Trading Activities

	2023 £'000's	2023 £'000's
Retail	1,682	1,412
Lottery	1,006	987
Fundraising Events	269	356
	2,957	2,755

Supporting Notes to Financial Statements

5 Income from Charitable Activities

	2024	2023
	£'000	£'000
Surrey ICB Income		
NHS Block Contract / Grant Surrey	1,723	1084
NHS Contribution to Drug Costs	59	61
NHS Contribution to Lymphoedema Service	0	0
Pension Rebate	36	36
Consultant Income	47	24
Notional Income supporting seconded Junior Doctors	415	290
Seconded Nursing to NHS	25	
Research Grant	0	0
	2,305	1,495
Sussex ICB Income		
NHS Block Contract / Grant Sussex	1,042	989
NHS Community Support Pilot - Sussex	319	319
Pension Rebate	36	36
Income for Inpatient Beds from Continuing Healthcare (CHC) - Sussex	53	49
West Sussex Bed Days	17	0
NHS Contribution to Drug Costs	74	68
Urgent Response	85	21
	1,541	1,461
COVID 19 Hospice UK (HUK) Support	0	0
COVID 19 Clinical Commissioning Group (CCG) Support	0	125
Education Income	24	16
	3,955	3,118

Statutory income from Surrey Heartlands CCG included an expedited receipt of £600k, in 2021/22, in support of additional staffing and agency costs during the height of Omicron which was offset in the 2022/23 contractual agreement.

Supporting Notes to Financial Statements

6 a) Expenditure

	Direct Costs £000's	Support Costs £000's	Depreciation £000's	Total 2024 £000's	Total 2023 £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	1,131	378	48	1,557	1,386
Capital Appeal - Pease Pottage	0	0	0	0	41
Investment Management	36	0	0	36	35
	1,167	378	48	1,593	1,462
Trading Activities					
Retail Shops	1,376	596	52	2,023	1,788
Lottery Costs	250	136	5	391	178
Fundraising Events	67	262	9	339	205
	1,693	994	66	2,753	2,171
Charitable Activities					
Inpatient Services	2,951	1,374	109	4,434	3,913
Community Services	2,638	718	98	3,454	3,010
Wellbeing Services	344	417	46	807	346
Education	50	91	10	151	253
	5,983	2,599	263	8,846	7,521
	8,844	3,971	377	13,192	11,154

b) Analysis of Support Costs in a) above

	Facilities & Hospitality £000's	Support Services £000's	Corporate Comms £000's	Governance £000's	Support Costs Total £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	91	190	69	28	378
	91	190	69	28	378
Trading Activities					
Retail Shops	148	368	24	55	596
Lottery Costs	91	13	29	2	136
Fundraising Events	91	96	61	14	262
	330	478	114	72	994
Charitable Activities					
Inpatient Services	410	817	24	122	1,374
Community Services	114	505	24	76	718
Wellbeing Services	159	203	24	30	417
Education	34	40	11	6	91
	718	1,565	82	235	2,599
	1,140	2,233	265	335	3,971

Supporting Notes to Financial Statements

7 Trading Operations

The wholly owned trading subsidiary, St Catherine's Hospice Trading (Sussex) Limited, UK company registration number 02822993, pays all its eligible profits to the charity under Gift Aid, where these are not covered by losses brought forward. The company manages the sale of purchased goods through the hospice retail shops as well as the collaboration agreements with St Peter and St James Hospice for Finance support and St. Wilfrid's Hospice for IT support. Notice has been served on the collaboration agreements which will terminate during 2024/25. In June 2023, the trading company also undertook to operate the community hub for the community surrounding its new location, which includes the operation of the coffee shop and management of two interlocking function rooms. Losses in the first and second year are expected, with projections seeing breakeven and future viability from year three.

The charity owns the entire issued share capital of 50,000 shares of £1 each. A summary of the trading results is shown below.

	2024 £'000	2023 £'000
Turnover	449	227
Cost of Sales	97	30
Gross Profit	352	197
Other Operating Expenses (net)	376	163
(Loss) / Profit on Ordinary Activities	(24)	34
Donations under Gift Aid	35	4
(Loss) / Profit retained in the Subsidiary	(59)	30
Profit Brought forward	85	54
Profit Carried forward	26	85

8 Net Income / Expenditure

	2024 £'000	2023 £'000
Net Income / (Expenditure) is stated after charging:		
Tangible Fixed Asset Depreciation and amounts Written Off in the Period		
Owned Assets	343	159
Operating Lease Rentals - Equipment	21	23
Operating Lease Rentals - Shops & Office	351	380
Auditors Remuneration - Audit	26	18
Auditors Remuneration – Tax Business	0	0

Supporting Notes to Financial Statements

9 Employees

	2024 FTE's	2023 FTE's
Average Weekly FTE's		
Fundraising	26	22
Retail	27	26
Inpatient Services	45	50
Community Services	46	41
Wellbeing Services	8	0
Education	0	3
Support Services	56	50
	207	192

The hospice employs a significant number of staff on a part-time basis. The average of number of paid staff in the charity and group in 2023/24 was 250 (2022/23: 243).

	2024 £'000	2023 £'000
Staff Costs		
Salaries	8,325	6,961
Social Security Costs	788	676
Other Pension Costs	693	570
	9,806	8,207

The hospice made ex gratia payments to staff in 2023/24 of £24,000 (2022/23 £22,000). Pension costs for 2023/24 are £693,000 (2022/23 479,000), net of NHS funding. Included in the staff costs above is £415,000 (2022/23 £291,000) in respect of seconded NHS doctors paid from NHS funds.

The number of employees who received emoluments in the following ranges was:

	31 March 2024 £'000	31 March 2023 £'000
£60,001 - £70,000	3	2
£70,001 - £80,000	4	1
£80,001 - £90,000	1	3
£90,001 - £100,000	1	2
£100,001 - £110,000	3	1
£110,001 - £120,000	1	1
	13	10

All of the above higher paid employees are accruing retirement benefits under schemes treated as defined contribution schemes. The company made pension contributions of £120,000 on behalf of these staff in 2023/24 (2022/23 £91,000).

The hospice considers that the key management personnel comprise the senior management team – who are the Chief

Supporting Notes to Financial Statements

Executive and 6 other key Directors. The total employee benefits of the key management staff were £676,000 (2022/23 £751,000).

10 Related Party Transactions

During the year no Trustees received any remuneration or benefits in kind (2022/23 £Nil). Moreover, no Trustees received any reimbursement of travel expenses (2022/23 £Nil). Donations from Trustees to the charity amounted to £13,000 in 2023/24 (2022/23 £24,000).

The charity provided services during the year to its wholly owned trading subsidiary, St. Catherine's Hospice Trading (Sussex) Limited. The charge for those services amounted to £27,000 (2022/23 £26,000). No donation was made under gift aid from the trading subsidiary in the year, given first year expected losses in the set up of the Community Hub at Grace Holland Avenue (2022/23 £3,790).

There were no other related party transactions in the current year or previous year.

11 Pension Contributions

The hospice participates in a defined benefit pension scheme operated by The Pensions Trust.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present Value of Provision	2024 £'000	2023 £'000	2022 £'000
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Present Value of Provision	8	20	31
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Supporting Notes to Financial Statements

Reconciliation of Opening & Closing Provisions	2024	2023
	£'000	£'000
Provision at start of Period	20	31
Unwinding of Discount Factor (Interest Expense)	2	1
Deficit Contribution Paid	(11)	(12)
Remeasurement - Amendment to Contribution Schedule	0	0
Provision at End of Period	8	20

Income & Expenditure Impact	2024	2023
	£'000	£'000
Interest Expense	1	1
Amendment to Contribution Schedule	(1)	(1)
Costs charged to Income & Expenditure Account	0	0

A rate of discount of 5.31% has been assumed in 2023/24, (2022/23 5.52%) representing the Hospice's estimate of the cost of money to the charity. The discount rates are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The hospice also participates in a defined contribution pension scheme operated by the Pensions Trust, the assets of which are held separately from those of the hospice. Employees contribute between 3.2% and 6% of their salary with the charity contributing 150% of the employee contribution.

The total pension cost charge of the group represents contributions payable by the charity and amounted to £693,000 (2022/23: £563,000).

At the year-end contributions outstanding totalled £1,000 (2022/23: £0) and are included in the creditors. The estimated employer pension contributions payable by the company in 2024/25 is £650,000.

12 Volunteers

The charity is dependent upon a team of part-time voluntary helpers who assist in all areas of the charity's care. There are three key types of volunteers:

Hospice Volunteers - providing a range of clinical services (e.g. complementary therapy, counselling, patient drivers) and support services (e.g. administration, hospitality, gardeners).

Retail Volunteers - providing sorting and till support to 14 charity shops, our warehouse and e-commerce work.

Community - supporting our fundraising work through Friends groups, running street collections and supporting events (e.g. marshalling, registration, refreshments, game stalls).

Supporting Notes to Financial Statements

13 Tangible Fixed Assets

Hospice & Group	Freehold Land & Buildings £'000	Equipment £'000	Motor Vehicles £'000	Construction in Progress £'000	Total £'000
a) Tangible Fixed Assets					
Cost / Valuation at 1st April 2023	5,279	1,240	48	13,399	19,966
Additions	6,526	1,037	(0)	0	7,562
Transfers	13,399			(13,399)	0
Disposals	(4,288)	(1,250)	(48)	0	(5,585)
Cost / Valuation at 31st March 2024	20,916	1,027	0	0	21,943
Depreciation at 31st March 2023	2,747	1,110	40	0	3,897
Charged in the Year	295	75	7	0	377
Disposals	(2,814)	(931)	(47)	0	(3,792)
Depreciation at 31st March 2024	228	254	0	0	482
Net Book Value 31st March 2024	20,688	773	0	0	21,461
Net Book Value 31st March 2023	2,532	130	8	13,399	16,069
b) Assets Awaiting Disposal					
NBV - Assets awaiting Disposal	1,290	0	0	0	1,290

All the tangible fixed assets of the group are part of the accounts of the main charity. Following the completion of the new hospice at Grace Holland Avenue with an additions value of £20.7m, all new assets have been capitalised from construction in progress and have are depreciated accordance with hospice policy from December 2023. With the pending sale of the previous site at Malthouse Road, all assets and costs of maintaining the asset until the sale is completed have been disposed of and held on the balance sheet as assets awaiting disposal. This value is £1.3m, as shown in the table above.

Market value of land and buildings

Freehold land at Malthouse Road was donated to the hospice and valued at £60,000 by the Directors in December 1983.

Freehold land at Pease Pottage was donated to the hospice in December 2018. The Trustees carried out a valuation, supported by a firm of independent advisors, who valued the land at £1,000,000. The basis of value is at a fair value, as defined within the Financial Reporting Standard FRS102, being "the amount for which as asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

Supporting Notes to Financial Statements

All freehold land and buildings are included in the financial statements at lower of cost and open market value. In the opinion of the Directors, the open market value of the freehold land and buildings is not less than the stated value.

14 Fixed Asset Investments

Listed Investments £'000

Market Value 1st April 2023	7,316
Realised Gains / (Losses) on Disposal	62
Unrealised Gains / (Losses)	256
Dividends & Interest	159
Management Fee	(36)
Movement of Shares to Investments	92
Funds withdrawn for New Hospice Build	(3,200)
Market Value 31st March 2024	4,649
Historical Cost 31st March 2024	4,197

Investments held by the charity also include an additional £50,000 (2022/23 - £50,000) investment in the subsidiary company at cost.

Subsidiary Company

Name	Country of Incorporation	Class of Holding	Proportion Held	Aggregate Capital & Reserves £'000	Result for Year £'000
St Catherine's Hospice Trading (Sussex) Limited	England	Ordinary	100%	50	-

15 Investments held as Current Assets

Cost / Market Value 1st April 2023	493
Interest	21
Cash withdrawn for New Hospice Build	(266)
Cost / Market Value 31st March 2024	248
Historical Cost 31st March 2024	230

16 Stock

Stock	Group		Hospice	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Goods for Resale	3	7	0	0
	3	7	0	0

Supporting Notes to Financial Statements

17 Debtors

	Group		Hospice	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Debtors				
Trade Debtors	207	90	206	90
Accrued Legacy Income	1,561	1,133	1,561	1,133
Amounts due from Subsidiary Company	0	0	81	0
Other Prepayments & Accrued Income	510	363	480	363
Other Debtors	171	153	192	154
	<u>2,449</u>	<u>1,739</u>	<u>2,520</u>	<u>1,740</u>

18 Creditors: Amounts falling due within one year

	Group		Hospice	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Creditors				
Trade and Other Creditors	559	214	559	214
Taxation and Social Security Costs	186	160	186	160
Accruals & Deferred Income	611	1,770	610	1,770
Other Creditors	69	36	69	36
	<u>1,425</u>	<u>2,180</u>	<u>1,424</u>	<u>2,180</u>

Deferred Income

At Start of Year	105	144	105	144
Released in Year	(105)	(144)	(105)	(144)
Deferred in Year	251	105	251	105
At End of Year	<u>251</u>	<u>105</u>	<u>251</u>	<u>105</u>

Deferred income of £251k (2022/23 £105k) includes £115k (2022/23 £105k) of prepaid lottery income and has increased in the year with the re-introduction of fundraising events for which income of £136k has been received in advance.

Supporting Notes to Financial Statements

19 Reserves – Movements by Fund

This schedule presents the final reserves position by fund.

	Restricted Funds	Designated Funds	Unrestricted Funds	Total Funds
Balance as at 01/04/2023	6,704	12,039	10,049	28,792
Net Operating Income / (Expenditure)	1,108	(120)	394	1,382
Net Gains / (Losses) on Investments	0	0	318	318
Net Inc / (Dec) in Reserves	1,108	(120)	712	1,700
Transfers between Funds	(7,683)	(10,948)	18,631	0
Net Inc / (Dec) in Reserves	(6,575)	(11,068)	19,343	1,700
Balance as at 31/03/2024	129	971	29,392	30,492
Less:				
Fixed Assets			21,461	21,461
Assets Awaiting Disposal			1,290	1,290
Available Reserves	129	971	6,641	7,741

The pending sale of the previous site at Malthouse Road is expected to achieve a minimum of £1.4m which will build back reserves, although this is not expected for 12 – 18 months as the sale proceeds.

Notes 20 and 21 provide further detail on fund movements in the year.

20 Restricted Funds: Group & Charity

	Balance 1 April 2023	Income in Year	Expenditure in Year	Transfers In / (Out)	Balance 31 March 2024
Inpatient services	18	7	21	0	4
Community Services	0	64	64	0	0
Wellbeing Services	188	12	75	0	125
Education	28	0	28	0	0
Capital & Equipment	31	0	31	0	0
Other	0	17	17	0	0
Total Funds	265	100	236	0	129
Donations in Kind	1,000	111	0	(1,111)	0
New Horizons Donation to New Build	1,100	0	0	(1,100)	0
Capital Appeal - Pease Pottage	4,339	1,133	0	(5,472)	0
Total Funds	6,704	1,344	236	(7,683)	129

The hospice may receive grants or donations whose use is restricted by the donor. In these circumstances, the funds are shown as restricted.

The restricted fund is managed through a governance group with expenditure aligned to donations.

Supporting Notes to Financial Statements

Inpatient Services

Inpatient Unit equipment.

Wellbeing Services

Garden fund - monies raised to re-develop and enhance the hospice garden.

Creative Therapies – funds to support creative activities primarily in the Day Hospice.

Living Well groups – donations provided to support the operation of Living Well activity groups.

Community Services

Horsham Carers Support – funds provided by Horsham Hospital League of Friends to provide support and practical skills training for carers in the Horsham area.

Community Nursing – funds donated towards the cost of a community nursing.

Capital & Equipment

Funds raised in support of capital and equipment.

Other

Funds raised for items not included above.

Capital Appeal – Grace Holland Avenue, Pease Pottage

All funds aligned to the new hospice have been transferred to General Funds in line with the associated assets.

We thank our kind suppliers for their donations of £111,000 of Gifts in Kind which were made to the hospice:

Description of GIK	GIK Value	Supplier
Management of spoil movement works	20,000	Sean Joyce
Landscaping	60,000	Santander Consumer Finance / Splash
WAP & AV Equipment	21,800	AJP Solutions & BoxFitOut
Patient Room TV's	4,500	TSS
IT Consultancy	2,250	Fractionary
Artwork - Memory Tree etc	1,000	Jon Collins
Trees & Whips	1,320	SHW / Woodland Trust / Carpenter Box
	110,870	

21 Unrestricted Funds

	Balance 1 April 2023	Income in Year	Expenditure in Year	Gain / (Loss) on Investments in Year	Transfers In / (Out)	Balance 31 March 2024
Designated Funds						
New Hospice Fund	11,233	0	0	0	(11,233)	0
Strategic Delivery	806	0	119	0	285	972
Total Designated Funds	12,039	0	120	0	(10,948)	971
General Funds	10,049	13,231	12,837	318	18,631	29,392
Total Unrestricted Funds	22,088	13,231	12,956	318	7,683	30,364

Supporting Notes to Financial Statements

Unrestricted reserves are available to be used for:

- The day to day running of the hospice.
- The costs of any capital projects in whole or in part where the cost is not met from any other fund; and
- For any other purpose as the Directors see fit to fulfil the objectives of the hospice.

Designated funds have been agreed by the Trustees to support costs in the delivery of its strategic goals.

New Hospice Fund

All funds aligned to the new hospice have been transferred to General Funds in line with the associated assets.

Strategic Delivery Fund

The Trustees have agreed to designate funds in support of the delivery of the charity's strategic aims with regular review and monitoring. Current funds are detailed below:

	£'000
Digital and IT Strategy	421
Operational Projects	200
Organisational Restructure	350
	971

22 Analysis of Group Net Assets between Funds

	Unrestricted	Restricted	Total Funds 2024	Unrestricted	Restricted	Total Funds 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible Fixed Assets	22,735	16	22,751	2,653	16	2,669
Construction in Progress - Pease Pottage	0	0	0	7,032	4,803	11,835
Fixed Asset Investments	4,549	100	4,649	7,216	100	7,316
Current Asset Investments	248	0	248	493	0	493
Other Current Assets	4,197	13	4,210	5,139	1,785	6,924
Current Liabilities	(1,358)	0	(1,358)	(423)	0	(423)
Provisions	(8)	0	(8)	(22)	0	(22)
	30,363	129	30,492	22,088	6,704	28,792

23 Members of the Hospice

As at 31 March 2024 there were 53 members (2022/23: 52) of the company who are required to contribute £1 each in the event of the company being wound up.

Supporting Notes to Financial Statements

24 Operating Lease Commitments

At 31 March 2024 the group was committed to make the following payments in respect of operating leases:

	2024 £'000	2023 £'000
Land & Buildings		
Amounts due within One Year	404	291
Amounts due in Two to Five Years	1,030	736
Amounts due in over Five Years	468	96
Other		
Amounts due within One Year	22	23
Amounts due in Two to Five Years	7	7
	1,931	1,153

Payments under operating leases are recognised as expenditure as they fall due. No provision has been made for future commitments.

25 Cashflows

	2024 £'000	2023 £'000
a) Net Income / (Expenditure) for the Reporting Period	1,700	1,775
Adjust for:		
Depreciation	377	159
(Gains) / Losses on Sale of Assets	502	13
Non Cash Donations (Shares, Land & Property)	(203)	0
Net (Gains) on Investments	(441)	(20)
Net (Gains) on Current Asset Investments	(21)	0
(Increase) / Decrease in Stocks	4	4
(Increase) / Decrease in Debtors	(710)	71
Increase / (Decrease) in Provisions	(12)	(11)
Increase / (Decrease) in Creditors	(756)	1,278
Net Cash provided by / (used in) Operating Activities	440	3,269
b) Analysis of Cash & Cash Equivalents		
	2024 £'000	2023 £'000
Cash in Hand	1,825	5,370
Total Cash & Cash Equivalents	1,825	5,370

Supporting Notes to Financial Statements

26 Capital Commitments

With the completion of the new Hospice building in November 2023, the charity has a remaining capital commitment of £257k with Barnes Construction the approved contractor.

The sale of the previous site is in progress with a minimum value expected of £1.4m, although the estimated completion date is between 12 and 18 months.

Supporting Notes to Financial Statements

27 SOFA prior Year Comparatives

	Note	Restricted £'000's	Designated £'000's	Unrestricted £'000's	Total Funds 2023 £'000's	Total Funds 2022 £'000's
Income						
Donations & Legacies	2	1,971	0	5,014	6,985	4,333
Trading Activities	4	0	0	2,755	2,755	2,391
Charitable Activities	5	1	0	3,117	3,118	4,715
Investments	3	0	0	279	279	133
Other Income		0	0	180	180	310
Total Income		1,972	0	11,345	13,317	11,882
Expenditure						
Fundraising & Investment Activities		0	63	1,400	1,462	1,249
Trading Activities		0	39	2,132	2,171	2,071
Charitable Activities		65	143	7,313	7,521	6,935
Total Expenditure	6	65	245	10,844	11,154	10,255
Net Income / (Expenditure) on Operational Activities	7	1,907	(245)	501	2,163	1,627
Net Gains / (Losses) on Investments	14,15	0	0	(388)	(388)	115
Net Income / (Expenditure) for the Year	8	1,907	(245)	113	1,775	1,742
Transfer Between Funds	20,21	0	0	0	0	0
Net Movement In Funds		1,907	(245)	113	1,775	1,742
Funds B/F as at 1st April		4,797	12,284	9,936	27,017	25,275
Funds Carried Forward as at 31st March		6,704	12,039	10,049	28,792	27,017

Supporting Notes to Financial Statements

28 Note 6 Expenditure – prior year

a. Expenditure

	Direct Costs £000's	Support Costs £000's	Depreciation £000's	Total 2023 £000's	Total 2022 £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	1,080	284	22	1,386	1,144
Capital Appeal - Pease Pottage	41	0	0	41	71
Investment Management	35	0	0	35	34
	1,156	284	22	1,462	1,249
Trading Activities					
Retail Shops	1,315	449	23	1,788	1,603
Lottery Costs	83	93	2	178	282
Fundraising Events	9	192	4	205	186
	1,407	734	30	2,171	2,071
Charitable Activities					
Inpatient Services	2,837	1,026	50	3,913	3,615
Community Services	2,413	552	44	3,010	2,777
Wellbeing Services	19	305	21	346	308
Education	182	67	4	253	235
	5,451	1,951	119	7,521	6,935
	8,014	2,969	171	11,154	10,255

b. Analysis of Support Costs

	Facilities & Hospitality £000's	Support Services £000's	Corporate Comms £000's	Governance £000's	Support Costs Total £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	57	163	54	10	284
	57	163	54	10	284
Trading Activities					
Retail Shops	94	317	19	20	449
Lottery Costs	58	12	23	1	93
Fundraising Events	57	83	48	5	192
	208	411	89	26	734
Charitable Activities					
Inpatient Services	260	703	19	44	1,026
Community Services	72	434	19	27	552
Wellbeing Services	101	175	19	11	305
Education	22	35	8	2	67
	455	1,347	64	85	1,951
	720	1,922	207	121	2,969

Supporting Notes to Financial Statements

29 Note 20 Restricted Funds - prior year

	Balance 1 April 2022	Income in Year	Expenditure in Year	Transfers In / (Out)	Balance 31 March 2023
Inpatient services	22	2	6	0	18
Community Services	20	32	52	0	0
Wellbeing Services	188	0	0	0	188
Education	28	0	0	0	28
Capital & Equipment	31	0	0	0	31
Total Funds					
COVID-19	0	6	6	0	0
Total Including COVID-19 Funds	289	40	64	0	265
Donations in Kind	1,000	0	0	0	1,000
New Horizons Donation to New Build	1,100	0	0	0	1,100
Capital Appeal - Pease Pottage	2,408	1,931	0	0	4,339
Total Funds	4,797	1,971	64	0	6,704

30 Note 21 Unrestricted Funds – prior year

	Balance 1 April 2022	Income in Year	Expenditure in Year	Gain / (Loss) on Investments in Year	Transfers In / (Out)	Balance 31 March 2023
Designated Funds						
New Hospice Fund	11,233	0	0	0	0	11,233
Strategic Delivery	1,051	0	245	0	0	806
Total Designated Funds	12,284	0	245	0	0	12,039
General Funds	9,936	11,344	10,843	(388)	0	10,049
Total Unrestricted Funds	22,221	11,344	11,088	(388)	0	22,088

Supporting Notes to Financial Statements

31 Note 22 Analysis of Group Net Assets between Funds – prior year

	Unrestricted	Restricted	Total Funds 2023	Unrestricted	Restricted	Total Funds 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible Fixed Assets	2,653	16	2,669	2,668	0	2,668
Construction in Progress - Pease Pottage	7,032	4,803	11,835	65	2,465	2,530
Fixed Asset Investments	7,216	100	7,316	13,229	100	13,329
Current Asset Investments	493	0	493	3,768	0	3,768
Other Current Assets	5,139	1,785	6,924	3,223	2,232	5,655
Current Liabilities	(423)	0	(423)	(902)	0	(902)
Provisions	(22)	0	(22)	(31)	0	(31)
	<u>22,088</u>	<u>6,704</u>	<u>28,792</u>	<u>22,220</u>	<u>4,797</u>	<u>27,017</u>

**Our special thanks to all who have supported St Catherine's in 2023-24.
Our full audited accounts are available at: www.stch.org.uk**

**We would like to thank the patients and family members who have kindly
allowed us to feature their photographs and words in this report.**

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ST CATHERINE'S HOSPICE LIMITED

England & Wales - Charity number 281362

Accounts



ST CATHERINE'S HOSPICE LIMITED
ANNUAL REPORT AND ACCOUNTS
YEAR ENDED MARCH 2023

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INTRODUCTION FROM THE CHAIRMAN AND CHIEF EXECUTIVE

40 years ago, and after much hard and dedicated work by a group of local people, the Queen Mother laid the St Catherine's Hospice foundation stone at our current site in Crawley. 2023 is our 40th anniversary year and therefore fitting that it is also the year we will move on from our current site to our new home, just 2 miles away, at Pease Pottage.



Terry O'Leary Chairman

That we are able to move to a world class and bespoke new home, focused entirely on the needs of people who have been bereaved or who have life limiting diseases is a testament to the work of many hundreds of staff and volunteers whose contributions across the past 40 years have sustained us and helped build our reputation for outstanding care. The new opportunity ahead is only possible as we have been able to build a relevant role supporting our valued statutory (health and social care) partners alongside whom we work.

This wonderful opportunity draws on the particular contributions of the people who have so generously donated gifts in kind such as land, labour, tools, kit and the wide range of items that support our many and varied activities in care, support services and in growing our income.



Giles Tomsett Chief Executive

In this regard, we pay special mention to Bill Bridges and family, Thakeham Homes, the Longley Family, the New Horizons Appeal committee (and its many supporters), to the Kleinwort family, the Verity Waterlow Endowment, the Bryan and June Amos Foundation and to those people, foundations and trusts who have stood with us over these past 40 years. Indeed, there are the many thousands of donors (individuals and companies) who have helped ensure that our services have been able to grow and thrive, donating sums of pennies to millions of pounds as well as their labour and intellectual energies. Within this, we recognise the £6m left to us by the local businessman, John Shemeld whose generosity in 2013 has proven so transformative.

In this report you will read more on our planned move and our efforts to link the story of the past with all that is yet to come at Pease Pottage. We share another year of progress with all of our services, including our work to build closer integration with local statutory partners.

You will read more on our financial performance which, even in the face of the cost of living crisis, has performed reasonably well thanks to the hard work of our income generation team and the largesse of so many – once again!



We draw your attention to the role of our people both employees and volunteers who have achieved so much together. The health and social care system remains under greater pressure than we have ever seen as it emerges from the impacts of the pandemic. We are feeling the inevitable squeeze that arises from the resulting cost of living crisis and we experience the ongoing difficulty recruiting into key roles from a scarce pool (most notably expert clinicians). In the face of these headwinds, our people have again responded with professionalism and a commitment to our shared values. We have grown our teams (during a challenging time for recruitment and retention) and volunteers (over 300 new in this last year!) and it is to their collective contribution that we draw your attention.

We may be bringing to the local health and care system a larger facility but the Board and Management community recognises that the utilisation of this can only be sustained if our service model and contribution is valued by both local people and the way it best supports local healthcare. During the year ahead, we will therefore work diligently to seek agreement to how our contribution is best made in the short to mid-term. Most importantly we must ensure our new, bigger local hospice facility can provide benefit to more people. However we must also bring benefit to those who use our highly valued local NHS services, through the contribution we can make in improving patient flow (avoiding hospitalisation, improving discharge) and patient experiences (right care at right time and in right care environment).

We need to ensure the closest alignment possible with the work of our partners like GPs, district nurses and frailty teams so that local people can get the best of us all.

Our continuing story builds on the shoulders of those many, many people whose efforts we have built upon. To all those who have contributed to our story, past and present, we pay fulsome tribute and most especially to our current staff and volunteers because local charities like St Catherine's Hospice can only remain relevant if we are seen to be able to make a difference in the lives of local people. This contribution is only made possible through the hard work being done to raise funds (through fundraising, retail and in marketing), and our ongoing efforts to deliver effective and efficient support services like information technology, and hospitality.

Our new home at Pease Pottage will be occupied later this year and we look forward to welcoming people to our wards, clinics, counselling and group activities. At the door we will bury a Time Capsule to mark our 40 year story so future generations can reflect on our journey so far. Above this, and in stone, we have recorded our debt to all those who came before – volunteer, staff and supporters. We thank you all.

Terry O'Leary Chairman

Giles Tomsett Chief Executive



OUR VISION

A world where everyone can face death informed, supported and pain free.

OUR MISSION

Pioneering standards in expert care and support for anyone facing death and bereavement.

OUR VALUES

Integral to all that we do:

Human

We treat people with understanding, patience, respect and above all dignity. We are the welcoming smile, the talk over a cup of tea, the human touch.

Courageous

We stand firm, we do not flinch in the face of hard news, but always with humanity, sensitivity and respect for our community.

Energetic

Whether we're out running a fun run or at the hospice greeting our patients, we bring the energy and the optimism to make the most of every day.

Connected

We are not an island, we thrive on partnerships and working with others, we believe we're better and stronger together.

Expert

We are looked up to by our community and peers as the organisation to go to for knowledge, training, best practice and latest techniques.

OUR STRATEGIC AIM:

To provide outstanding care and support to more people underpinned by education and research with a commitment to working in partnership.

PRIORITY 1

DELIVERING CARE

To expertly develop our multidisciplinary teams with tailored, integrated, and effective end of life care, wrapped around people we support and those close to them.

Our success in the year

- We have continued to develop and restructure our care services teams, and those who support them, to ensure that clinical staff have increased time to spend on the delivery of clinical care and to meet the needs of everyone approaching the end of life. Areas of focus include the wellbeing of the people we support and those close to them, and support for those living with frailty and their carers. We are pleased to be working collaboratively with partners on some of these projects, for example the Living Well Longer Initiative in Dorking PCN.
- We have developed new training opportunities and structures to advance nursing practice, and develop expertise in palliative care. For example, the development of the “Palliative Care Award” education programme for healthcare assistants, and a procedure for nurse led admissions on the inpatient unit.



Our future priorities

- In the community we are working towards teams in smaller geographical areas to improve the continuity we can provide to both the people we support and those close to them, and to other community healthcare colleagues.
- We plan to extend the palliative care award to other nursing grades, and to continue to review the training needs of all clinical staff to ensure they develop and sustain their expertise in the palliative care field.

To be expert, developing our clinical governance, quality and effectiveness through best practice, continuous improvement, and efficiency to achieve the highest standards of patient experience and best clinical outcomes.

Our success in the year

- Across the teams we continue to be involved in education and training of healthcare students, doctors in training and external colleagues. This includes successful delivery, in partnership with Surrey Heartlands, of a programme of education about the ReSPECT (Recommended Summary Plan for Emergency care and Treatment) process.
- We have successfully transitioned our electronic patient record to a new software programme “SystemOne” which aligns with some of our local GP surgeries and community nursing teams, and allows integration with other systems used in the community and at East Surrey Hospital. This has improved communication between the teams, ultimately resulting in improved efficiency and care.
- St Catherine’s Hospice recognises the importance of participating in research and is currently taking part in a research study called CHELsea II which explores the administration of clinically assisted hydration at the end of life. The study opened to recruitment in December 2022 and at the time of writing this report, five individuals have kindly agreed to participate in the study.

- Our clinical governance structures at the hospice have been redesigned to maximise efficiency and engagement. We are pleased to maintain our CHKS accreditation and CQC outstanding rating.

Our future priorities

With the move to our new premises in mind, we will work towards improving opportunities for people we care for and those close to them to visit the hospice site, including the development of more wellbeing opportunities, outpatient clinics and groups. Meanwhile, for others, we will be exploring ways in which people can access our services nearer to their own home.

Our Measurement and Impact

Providing Excellent Clinical Care:

- Our latest CQC inspection was carried out in 2016 with an overall rating of “Outstanding”. We regularly meet with our CQC Relationship Manager to maintain our expertise.
- We are accredited with CHKS (Comparative Health Knowledge System) whose framework informs our internal Quality Management System.

- We provide annual submissions to the NHS Data Security and Protection Toolkit to provide assurance that the hospice is practicing good data security and that personal information is handled appropriately.
- 92% of people, families and carers asked said they would recommend St Catherine’s Hospice.
- 100% of families and carers were offered the VOICES bereavement survey.
- We received a total of 11 complaints about our clinical service delivery. Of those 11 complaints, four were partially upheld and none were upheld. 50% of complaints were responded to within the target of 25 days. We recognise this statistic needs improving and are working towards this improvement through staff training, reviewing our incident and complaints software and a renewed focus on our governance procedures.



SARAH'S *Story*

Sarah Webster was diagnosed with asthma in 2007 but her breathing started to deteriorate rapidly in 2017. It got so bad she struggled to breathe when she was doing anything. The Royal Brompton Hospital confirmed her palliative diagnosis and she was referred to St Catherine's.

"The moment the consultant at The Brompton saw me she knew it wasn't asthma. Instead, I was diagnosed with Chronic Hypersensitivity Pneumonitis, a form of lung disease that I now know was caused by a severe reaction to mould and damp in the flat where I was living.

"I was just 40 years old, and it was life changing news.

"After not responding well to treatment, the hospital told me that I might only have a year left of my life. It was at that point I was referred to St Catherine's. A lovely nurse came out to see me and reassured me that palliative care did not mean end of life care.

"After that first visit, I had lots of contact with the hospice – they called me once a month and they helped to get my morphine levels correct so that I could keep moving. I decided if I didn't have long left, I just had to make the best of it. I've been determined to help others through my illness and raise awareness of the dangers of damp.

"Not everyone living with damp will end up with my condition, but you don't know how susceptible you are until it's too late. If I can help just one person, then I'll be pleased.

"Thankfully I was put on chemotherapy, and it turned my life around. My lung capacity went from 24% to 40%.

"It's now five years since I was diagnosed and the hospice has been great. Before lockdown, I had acupuncture, and I've seen the doctors a couple of times to help my pain management when it gets really bad.



"I now see Jo on the Therapy Team, who has helped me to build up my strength and control the pain through stretches and exercise.

"Jo is one of the most amazing things in my life. She motivates me to keep going and think about myself more. When I came a couple of weeks ago, I had totally lost sight of myself. I hadn't looked after myself and I hadn't spent time on self-care. I didn't realise how lost I was.

"Being sick is a full-time job. It is so hard – fitting in my appointments, managing my tiredness, my pain and my oxygen.

"Jo puts me back on track and makes me feel more motivated to do my exercises. Keeping active is so important and I try to get between 6,000-11,000 steps every day so I can keep moving and walk my beloved dogs, Albert and Arthur.

"I feel Jo and the St Catherine's staff all genuinely care and that can be rare these days. I tell Jo how amazing she is every time I see her!"

"The most unique thing about working at St Catherine's is the time it gives you to be holistic and person-centred. It's a gift to spend time with those people, listen to what they need, action it and then go that extra mile. You can help them to feel important and empowered and show them that they matter, because they really do."

Jo Coltart, Senior Specialist Therapist



2,150 PATIENTS AND FAMILIES WERE SUPPORTED IN THE COMMUNITY WITH **246** IN THE INPATIENT UNIT

WE PROVIDED **3,902** DAYS OF INPATIENT CARE, WITH AN AVERAGE BED OCCUPANCY LEVEL OF **87%** AND AN AVERAGE LENGTH OF STAY OF **11** DAYS



OUR COMMUNITY TEAMS MADE **3,147** HOME VISITS AND **26,378** TELEPHONE CALLS TO PATIENTS, CARERS AND PROFESSIONALS TO SUPPORT CARE AT HOME



REACHING THOSE WHO NEED US



WE MADE **2,891** VISITS TO PEOPLES' HOMES SUPPORTING THEM IN PRACTICAL CARE



WE PROVIDED **185** PEOPLE WITH SOCIAL CARE SUPPORT



Supporting our people, families and carers through death:

- 67% of people died where they told us they wanted to die.
- Only 13% of the people we supported died in hospital.
- We provided 2,044 one-to-one counselling sessions.

Providing individualised support

- 100% of people we cared for received an individualised assessment and care plan.
- 1,882 people accessed our wellbeing services.
- Multi disciplinary team support was available to 100% of people referred to us and those close to them.

Harm free care

- We have had no acquired MRSA or COVID cases in the year. Our last acquired COVID case was in January 2021 and we were able to reopen our inpatient facility to new admissions in two weeks.

- We received the report for our last external Infection Control audit in July 2022. All resulting actions were completed. We also completed an internal audit against the new national Infection Prevention and Control manual in December 2022.
- All employees and volunteers are required to attend safeguarding training and our safeguarding team are on hand to offer continued support across the organisation.
- On the inpatient unit, there were two falls that resulted in moderate harm to a patient and one fall that resulted in severe harm to a patient.
- We submitted no Deprivation Of Liberty Safeguards applications.
- Our training package for Duty of Candour was implemented and compliance with staff completion of this is monitored in governance meetings.

The people we care for:



**62% HAD
A CANCER
DIAGNOSIS**



**MALE = 46%,
FEMALE = 54%**



**43% LIVE IN
SURREY AND
57% LIVE IN
SUSSEX**



**48% OF OUR
PATIENTS WERE
AGED 75 OR OVER
AND 19% OF OUR
PATIENTS WERE
AGED UNDER 55**



**6% OF OUR
PATIENTS HAD A
FRAILTY/DEMENCIA
DIAGNOSIS**

PRIORITY 2

OUR VOLUNTARY INCOME

To build back and maximise our income opportunities to support the organisation in the delivery of our services enabling exceptional standards of care and outcomes.

FUNDRAISING INCOME

Our successes in the year

- We were delighted to welcome back our flagship event, the Midnight Walk, with over 500 walkers taking part and raising over £100,000, and the return of our Tree of Light remembrance service, which we held in person for the first time since 2019.
- We launched a new face-to-face regular giving campaign, acquiring new donors whose regular gift will support the final funds needed to finish building our new hospice at Pease Pottage, as well as providing long term sustainable income for years to come.

- We successfully secured over £1million in the year from Trusts and Foundations, for the first time in our history.
- We celebrated the lottery raising over £15 million since it began in 1998.
- We won an industry award (Digital Fundraising Event of the Year, Fundraising Everywhere) for our 36-hour crowdfunding appeal for the New Hospice, which raised £996k including gift aid.
- We invested in the development of our Partnerships team, enabling us to grow and enhance our engagement with individuals and organisations invested in funding transformational development.



Our future priorities

- We will continue to build back and maximise our income opportunities to support the organisation in the delivery of our services, enabling exceptional standards of care.
- We will look for ways to attract new donors across the communities we serve. We want everyone in our community to know about St Catherine's and want to support us. We will use events and face to face activities to engage with communities across our patch and to demonstrate our commitment to everyone in West Sussex and East Surrey.
- We will maximise our reach through conducting further research to better understand the diverse people, places, influencers and organisations within the area we serve. We will use this to inform the activity we do with our community.
- We will commit to being insight led when building our Income Generation and Marketing plans and when making key planning decisions.

RETAIL INCOME

Our successes in the year

- We launched a new flagship shop in Carfax, Horsham, in February 2023 and this is proving to be very successful in terms of raising money and attracting new volunteers to St Catherine's.

- We have introduced a new pricing strategy to our shops to ensure we are in line with the current marketplace and maximising all income potential from the wonderful stock donated to us by our community.

Our future priorities

- We will continue to review our retail model and learn from the success of our new Horsham shop.

Our measurement and impact

- We are registered and regulated by the Fundraising Regulator and Gambling Commission and fundraise in accordance with the Charities Act.
- We received and managed four complaints in the year about our fundraising activity against 12 complaints in the prior year (2021/22).
- We raised £7m of voluntary income in the year.
- For every £1 spent on fundraising activities we raised £4.70.
- Retail sales were up 5% on 2021-22, with 335,000 items sold in our shops and through ecommerce.
- We served 190,000 Customers and increased our gift aid income by 22.5% on 2021-22.
- We made over 2,000 deliveries and collections of furniture and donations.



HORSHAM CHARITY SHOP *Story*

One fantastic way the local community supports us is through our network of 14 shops across West Sussex and East Surrey.

In February we unveiled our exciting new store in the heart of Horsham town centre.

Previously situated in Bishopric, our new larger shop is located in Horsham's Carfax, giving new life to the unit that was once the town's Post Office, making it much more visible for passers-by.

The shop proudly incorporates "Catherine's Bridal" selling a huge array of pre-loved wedding dresses as well as occasion outfits. At a time where shopping sustainably is increasingly popular, we hope the new location will attract brides-to-be to come to find 'the dress' as well as students looking for their perfect prom outfit.

The shop also sells preloved books, clothing and bric-a-brac, and has a dedicated section at the rear selling secondhand furniture.

Dawn our Horsham Shop Manager said, "We are delighted our new store is now open for business, and we are so grateful for the warm welcome we've received in our new Horsham home!

"As a local charity, the community really cares about St Catherine's. We do have loyal customers who are searching for a bargain, but a lot of our shoppers and donors also have a personal connection to the hospice and it's wonderful to meet them and hear their own experiences of the charity.

"This is the fourth shop St Catherine's have had in the town – but the increased size of our new shop is great. We've been able to expand Catherine's Bridal to make it a showstopping feature of the store. With its own look and feel, and its own changing room, brides now have the space they need to find their perfect dress.

"We hope our amazing black-tie dresses will also encourage local residents to consider buying their occasion outfits from us, with prices starting from just £10."



PRIORITY 3

OUR PEOPLE

To maximise professional and personal achievement of our people through focussed and recognised contribution which thrives in a value-led culture, where diversity, respect, initiative, openness and creativity and growth are embraced.

Our successes in the year

- We have actively engaged and involved employees in decisions relating to change that may impact on them.
- We reviewed our bereavement leave policy to not only provide more flexibility but to acknowledge that we all deal with death and dying differently.
- We offered wellbeing checks, provided access to a range of advice and support, and run smoking cessation workshops with Crawley Wellbeing.
- We introduced a menopause policy and provided training to managers.
- We have a full suite of wellbeing support for all our employees from financial support to mental health first aiders.



- We introduced the role of paramedic into the community team, diversifying the skills within the team to improve the care we provide.

Our future priorities

- We will continue to develop medium-term to long-term plans to address nursing staff pressures and identify these within the 'Grow our Own Framework', to include the development of future Nursing roles.
- We have identified training requirements that will be delivered as part of the transition to our new buildings to keep our people and those we support safe.
- We are continuing with our work on apprenticeships and now looking to expand this further into retail.
- We will develop a robust Succession Planning Programme and Talent Management Programme that identifies future leaders within the organisation and develops capabilities and expertise beyond their current remit.
- We will develop our recruitment and retention strategy with a focus on transition to new premises and service delivery.
- We will review our lone working arrangements and implement changes to ensure all employees and volunteers feel safe when working in our community settings.
- We will review and refresh the Occupational Health Service specification and identify whether alternative provision might better meet our needs.
- We will provide 'Planning for Retirement' workshops to better prepare people for life after work.

Our measurement and impact

From our employee survey we identified:

- 80% of staff completed the survey.
- 92% of staff enjoy working at St Catherine's.
- 95% of staff believe in our aims.
- 94% of staff understand what we are trying to achieve.
- 90% of staff would be happy with the standard of care if a friend or relative needed treatment.

EDI - Equality, diversity and inclusion

- We have established an Equality, Diversity, and Inclusion Group and become a Disability Confident Employer.
- We have increased availability of training on: anti racism, LGBTQIA+, learning disabilities, autism awareness.
- We have gathered EDI data on our employees and benchmarked it with the NHS.
- We supported Crawley PRIDE to increase awareness of hospices in the LGBTQIA+ community.

Other

- 76% of employees completed our performance and development review process in the year.
- 86% of employees completed their mandatory training in the year.
- Employee turnover is 23% and absence rate, including work related stress absence, is 4.4%.
- 74% of leavers completed an exit interview which is regularly reviewed and acted upon.

Volunteers

- We had 485 enquiries and recruited 315 new volunteers across fundraising, retail and the hospice.
- We introduced our new Hospice Host role, supporting patients and their loved ones on the ward and set up a new St Catherine's choir.
- We hosted our 2022 Volunteer Awards, celebrating our long service volunteers of between 3-30 years, totalling 730 years of support.
- 51% of our new starters were under 25 years old.



PRIORITY 4

OUR RESOURCES

To optimise value and effective use of charitable funds through effective and efficient use of all company resources.

Our successes in the year

- After an Environmental Health inspection, we have maintained our 5 star rating.
- We reviewed our housekeeping suppliers and have achieved an increase in service delivery and cost saving from the NHS.
- We reviewed our fleet requirements and have sourced a new fleet contract and developed new processes, procedures and policies, whilst creating a training programme and booking system for staff.
- We collaborated with other hospices that have moved into new premises, learning from their experiences and systems to support our move to Pease Pottage.



- We undertook a staff structure review post Covid and continue to review the staffing levels and requirements, as well as planning ahead for the new site.
- We worked with our New Build team to ensure the design of the facilities at both the new hospice and community hub are fit to meet the needs of our service deliver aspirations.
- We conducted an active review of our Malthouse Road site to ensure a safe working environment, while ensuring we do not over invest in the site to manage cost and budgets.

Our future priorities

- We will support the transition to Pease Pottage, working with teams and departments to ensure a smooth operation.
- We will continue to focus on site safety and other requirements of Malthouse Road between now, transition and sale of site.
- We will develop the Community Hub services and build a plan of community engagement activities.
- We will deliver planned works and refurbishments of sites across our retail network.

Our measurement and impact

- We have developed good relationships with Mid Sussex County Council in anticipation of our move to the new premises.
- We continue to support celebration events for those we care for and their families, including weddings, birthdays and special anniversaries.

PRIORITY 5

OUR FUTURE SUSTAINABILITY

We have a forward thinking approach with a strategically aligned business plan developed through our senior managers and executive team, linked to our financial forecast and quarterly directorate objectives, with regular review, to ensure the future sustainability of the organisation.

Our successes in the year

- We are now in the final months of the build of our new hospice and are working closely with our teams to ensure a smooth transition between our current site at Malthouse Road and our new home.
- We have supported the community in providing a route to operating the community hub. We are able to run the café and utilise the meeting rooms as part of the hospice campus.
- We continue to work closely with our statutory partners in West Sussex and East Surrey (where we remain a formal part of the East Surrey NHS Place Provider Alliance), exploring opportunities for greater integration that will improve the experience of those we support as well as delivering efficiencies for the system and our hospice.



- Collaboration with our other hospice neighbours continues with key projects delivering financial and IT support now embedded.
- We have refreshed our current organisation strategy which will be launched shortly, reflecting the significant external factors which have impacted us all since its initial creation in 2018.
- We have welcomed two new members to our senior management team bringing new skills and experience to the organisation.

Our future priorities

- We will finish the build of our new hospice and spend the Autumn and Winter months moving our teams into the building, ensuring seamless care is delivered at all times.
- Complete the sale of Malthouse Road to realise best achievable value for St Catherine's.
- We will continue to explore all and any opportunities to integrate with our statutory partners and review our models of care in light of these conversations.
- We will continue to develop collaborations with other hospices having identified the five key areas of data, education, workforce, NHS liaison and research and continue to explore collaboration in other areas.

Our measurement and impact

- Effectively engaging with our new community at Pease Pottage, delivering the hub successfully, whilst providing opportunities to educate and share with people about the operation of the hospice.
- Providing a new home that offers an environment for our staff and volunteers to be the best they can, supporting those we care for and their loved ones to have the best quality of life at end of life.
- The impact of merger of Health, Safety & Infection Prevention and Control groups, has been a positive move, in terms of improved ability to govern, reduction in staff time commitment across multiple groups and ability to measure successes.

STRATEGIC RISK

As part of our quality framework, we regularly review our operational and strategic risks, understanding that effective risk management is key to the achievement of our strategic and operational objectives. The significant risks currently identified are:

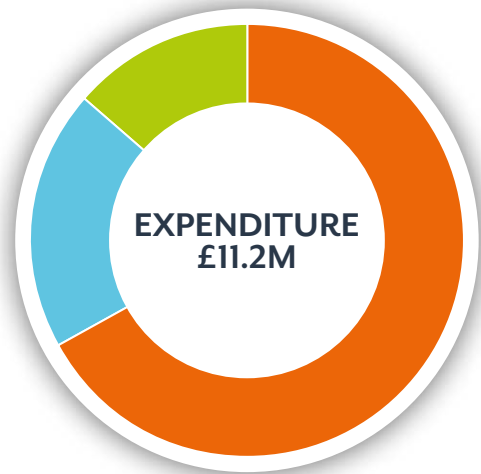
Strategic Risks	Controls and Mitigations
<p>Ineffective board and organisational structures and processes to lead and deliver the organisational mission.</p>	<p>As an independent organisation that seeks to remain recognised as outstanding whilst navigating a significant degree of change in premises and wider system upheaval, ensuring the right skills and culture are operational throughout is key. Our major control mechanism for this is the Integrated Governance Framework. Clear structures and transparent succession plans allow for open and effective utilisation of leadership resources across the organisation.</p>
<p>Failure to meet regulatory requirements.</p>	<p>A full suite of audit and compliance measures are in place, cognisant that cyber and intellectual property matters are now very much at the forefront of organisational compliance and security. The Information Governance structure is being bolstered by senior leadership focus and updated organisational roles alongside the ongoing regulatory assurance audits. Effective insurance is also in place to allow swift and effective access to support should any incidents occur.</p>
<p>A significant failure of patient care.</p>	<p>The highest risk areas of patient care arise from the wider system pressures being faced in terms of demand and the access to the necessary skill base and capacity. Professional registration and audit via parties such as CHKS provide assurance of individual practice.</p> <p>In the face of system pressures, we are working to utilise a wellbeing led model of care supported by multi-disciplinary teams. This allows us to maximise the use of the clinical skills set. As part of a wider care system, we continue to work with our statutory partners to secure integration opportunities. In house we continue to focus on the working environment, progression and development opportunities within roles and appropriate pay and reward packages.</p>
<p>Inability to maintain free reserves to meet current and short-term cash requirements.</p>	<p>Our financial position is modelled with a current and 5 year forecast process aligned with our monthly management accounts reporting and budget holder's review. Income generation streams are routinely monitored and forecasts updated in line with market conditions. Effective engagement with statutory partners means that realistic forecasts are maintained whilst continuing to make the case for sustainable funding models.</p> <p>The risks to new build and transition plans are monitored by a dedicated programme board with the use of a design and build contract to secure the cost envelope for the majority of the project spend.</p>
<p>Failure to operate effectively within the digital environment and innovate.</p>	<p>Our digital maturity is being assessed as we shape our plans to improve our digital utilisation across our service offering. The launch of SystmOne as our Patient Record System allows us to better interact with GP and acute bodies, the development of which will enhance our working practices, providing a more responsive patient experience.</p>

OUR FINANCIAL PERFORMANCE 2022/23

OPERATIONAL INCOME AND EXPENDITURE



- £4.0m Donations
- £3.0m Legacies
- £2.9m Charitable Activities
- £2.8m Trading Activities
- £0.3m Investment Income
- £0.2m Coronavirus Support
- £0.1m Other Income

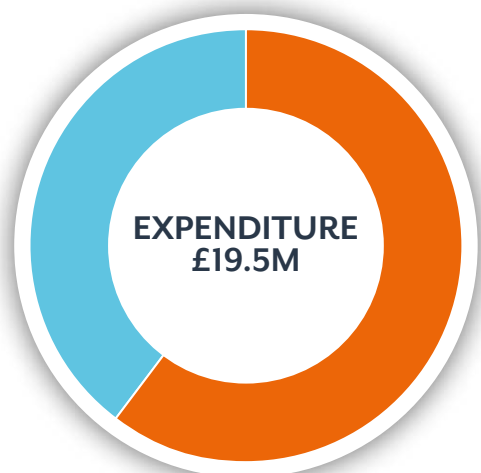


- £7.5m Charitable Activities
- £2.2m Trading Activities
- £1.5m Donations

NEW HOSPICE



- £16.7m Funds Raised
- £1.4m Sale of Current Site
- £0.7m Funds to Raise
- £0.7m Donations Pledged



- £13.4m Expenditure to Date
- £6.1m Remaining Expenditure

Operational Performance

The impact of the pandemic on our operational delivery over the past couple of years has been further heightened by the cost of living crisis where our original projections for fundraising growth have been delayed and current income streams softened. However, this financial year has been supported by increased legacy income and strong retail activity. Our retail shops have benefited from the increasing requirement for “pre-loved” goods, supporting environmental responsibilities. Our new flagship shop in Horsham, which opened in Q4 of this financial year, has proved a success with its early trading results.

Our statutory income was impacted in the year, given the £0.6m of funds brought forward last year to support winter pressures as a result of Omicron.

With the income pressures and our move to Pease Pottage towards the end of 2023, we have focused on rebuilding our teams to support our strategic



direction and long term sustainability, especially with our fundraising and clinical teams, which has posed some pressure on our cost base towards the end of this financial year, which will be closely monitored.

Our resultant net income was £1.8m in the year, noting our underlying position, excluding capital appeal receipts, of £0.1m. Our free general reserves position was £8.4m as at 31st March 2023.

Our New Hospice

The construction of our new hospice, on a design and build contract with Barnes Construction is due to be completed in late 2023 and is on track with a budget of £19.5m.

The majority of funds have now been raised with the final funds due prior to completion raised through our regular giving campaign and further donations.

We are currently working with Crawley Borough Council to sell our current site, providing the final funds required to complete the project.

FINANCIAL OUTLOOK 2023/24

Operational Performance

In support of the transition to our new hospice and future sustainability our focus for FY 2024 will be on income generation and balancing cost efficiency with effective delivery of our services. In support of this we acknowledge that our costs will rise at a proportionally greater rate than income in the short term, in order to allow the longer-term gains aligned to our strategic goals and forecasts.

Our budget expects a loss in the year of £1.2m moving our free general reserves position to £7.2m, which is in accordance with our five-year forecast.

Our New Hospice

The monitoring of our cashflow will be more important than ever as we conclude the build of our new hospice and transition in the latter part of the financial year.

Reserves

St. Catherine's reserves policy is to maintain free reserves at a level that is sufficient to protect services from the potential financial impact of known significant risks over the short to medium term. The focus of this policy is aligned to Free General Reserves as these reserves support operational activities.

The Trustees have agreed that in order to set a relevant free general reserves policy level which is in the charities best interests, a risk centered approach is most valid.

The Trustees recognise that as a healthcare organisation, the risk of full closure is low, given that alternative arrangements would be made to carry out on site services together with the learning from the pandemic where we have quickly adapted our working practices to work from home where possible. Our Business Continuity Plan addresses these scenarios. Therefore, the risk centered approach has not focused on this scenario.

The Trustees regularly review the hospice's strategic risk register which forms part of the Governance Framework.

Our free reserves as at 31st March 2023 were £8.4m, (31st March 2022: £8.3m). The calculation of free reserves is set out in Note 19 to the accounts.

Based on our financial 5-year forecast and likelihood of potential risks / opportunities occurring during that period, the reserves policy requires the organisation to maintain between £2.1m and £4.1m of Free Reserves. Given the current build programme for our new hospice and the changes in cost profile expected as we adapt our services and re-energise our voluntary income streams during this period, the Trustees acknowledge that free reserves are in excess of the policy levels set in the current year and into the next financial year.

The net movement in reserves in the year is set out in Notes 19 to 22 to the accounts.

Market Value of Land and Buildings

Freehold land in Crawley was donated to the hospice and valued at £60,000 by the Directors in December 1983.

Freehold land at Pease Pottage was donated to the hospice in December 2018. The Trustees carried out a valuation, supported by a firm of independent advisors, who valued the land at £1,000,000. The basis of value is at a fair value, as defined within the Financial Reporting Standard FRS102, being "the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

All other freehold land and buildings shown in Fixed Assets in the Balance Sheet are included in the financial statements at cost or open market value if lower. In the opinion of the Directors, the open market value of the freehold land and buildings is not less than the amounts shown in the financial statements.

Investments

The overall objective of the charity for its investments, which represent reserves held consistent with its reserves policy, is to provide financial security and stability, recognising that the charity is exposed to a degree of financial risk due to the variable and uncertain nature of its income streams.

The Trustees have agreed that the charity's assets can be invested widely and should be diversified by asset class, by manager and by security. Asset classes could include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities, and any other asset that is deemed suitable.

The charity seeks to produce the best financial return within an acceptable level of risk. The charity has adopted an ethical investment policy to ensure that its investments do not conflict with its aims or can lead to reputational damage. The investment objective for the long-term fund is returns which over a rolling 5 years achieve of CPI +2%.

The Financial Sustainability Committee has responsibility for agreeing the investment strategy, setting benchmarks and monitoring the investment assets on a quarterly basis.

A formal evaluation of each fund managers' performance and consideration of the need to undertake full market testing is undertaken every 3-5 years.

Note 14 gives further information on the Investment position as at 31 March 2023.

A significant element of the charity's investments are held with Rathbone Investment Management, Sarasin and Partners LLP and CCLA, where investments have been de-risked and held as short term cash deposits to protect funds required for the New Hospice build, of which £9.3m has been withdrawn.

Going Concern

Having reviewed and formally agreed the forecasts and cashflows prepared in February 2023, together with the Executive's business plan, the Trustees believe, to the best of their knowledge, that the charity remains a going concern for at least the 12-18 month period from the date of approval of the financial statements.

Structure, Governance and Management

The directors are also the Trustees of the charity for the purposes of company law and as such are responsible for the management of the hospice's affairs and its future strategy. The Trustees are required to hold at least four Board meetings a year. There are five committees, chaired by a Trustee which are attended by the appropriate Senior Management Team Member(s), which meet prior to and feed into each Board meeting.

- Financial Sustainability Committee (includes income generation activity)
- Joint People and Development Committee
- Board Effectiveness Committee
- Quality Committee
- New Build Project Board (Chaired by VP)
- Remuneration Committee (Chief Executive remuneration only)

Rotation, recruitment and appointment and induction of Trustees

The Trustees consider it essential that the Board is strong, well-balanced and effective comprising members with the requisite professional skills and experience in healthcare or local services to properly represent users of the charity's services. Looking forward, the Board will carefully consider how it increase its diversity and inclusion to better meet the needs of the local population.

Trustees are recruited through local advertising and a robust selection process. Trustees serve for a maximum of two terms of four years each.

An induction programme is provided to all new directors. They are advised of their responsibilities as directors and Trustees, including their legal obligations under charity and company law and the charity Commission guidance on public benefit, given copies of the charity's governing documents, and are appraised of the charity's aims and activities, current financial performance and its plans for the future. All Trustees receive an annual performance review and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

The General Meeting was held in person this year, where the Trustees provided an overview of our achievements and future plans, allowing additional challenge to the Trustees and the organisation, on behalf of the community.

Senior Management Team

The Board delegates the day-to-day management of the hospice to the Chief Executive, and the officers of the company:

The charity has set up a clear pay progression arrangement for its senior leaders which reflects arrangements in place for all staff and managers. As the charity strives to make its reward offer as competitive as it can afford, it will continue to consider managers and senior management remuneration. The pay points for the Senior Management Team are now in place having recently been set, using benchmarks for similar sized charities. Pay progression for these senior officers is delegated to the Chief Executive. The Chief Executive's pay also progresses over several pay points and progression is agreed by the charity's Remuneration Committee.

The Senior Management Team meets weekly, rotating meetings to review strategy and business plan delivery, the quality management system across all activities, risk management and operational service performance, including budgetary review and regular reforecasting. The SMT have been trialling the closer engagement of the charity's senior managers recognising the risk that the pandemic might impact the availability of leaders at any time. This pilot has proven very successful and will be consolidated within the charity's Integrated Governance Framework.

Information is cascaded to the Heads of Department and key managers in two monthly interactive update sessions and to staff through appropriate all staff meetings, awards events and departmental team meetings. Trustees are invited to attend these meetings periodically to assure themselves of the quality of communication, education and training that is being provided.

Charitable Objectives

The hospice's charitable objectives which were set by the Trustees, with due regard to the Charity Commission's guidance on public benefit, are:

- To relieve suffering, provide comfort and improve quality of life for people with progressive life limiting illness;
- To relieve the suffering of people facing or experiencing bereavement by the provision of counselling; and
- To advance research and education in palliative and end of life care.

Statement of Directors Responsibilities

The Board of Directors is responsible for the approval of the annual accounts, ensuring compliance with the Charities Act 2011, the Companies Act 2006 and the Memorandum and Articles of Association and Accounting and Reporting Statement of Recommended Practice applicable in the UK and republic of Ireland, FRS 102.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the

incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's strategic report the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- ensure compliance with the methods and principles in the Memorandum and Articles of Association and Accounting and Reporting Statement of Recommended Practice applicable in the UK and Republic of Ireland, FRS 102 which was effective from 1st January 2019.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

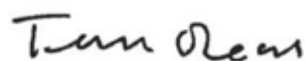
Details of directors' interests in contracts and related party transactions are given in note 10 to the accounts.

STATEMENT AS TO DISCLOSURE TO THE AUDITORS

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and the Trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Kreston Reeves LLP were appointed in March 2023 as auditor to the company under Section 485 of the Companies Act 2006.

The Report of the Board of Trustees, incorporating the strategic report, was approved by the Board on 18th July 2023 and signed on its behalf by:



Terry O'Leary Chairman



OUR TRUSTEES, SENIOR MANAGEMENT TEAM AND ADVISORS

Our Trustees

Terence O'Leary	Chair of the Board of Trustees & Chair Remuneration Committee
Catherine Blackburn	Chair of People Committee to May 2022 Chair of Quality Committee
Philip Ingleby	Chair of Financial Sustainability Committee from February 2023
Gregory Andrews	Chair of Financial Sustainability Committee to February 2023
Alison Livesley	Chair of Board Effectiveness Committee to February 2023 Lead Trustee supporting the New Build Board
Nicola Neal-Smith	Chair of Board Effectiveness Committee from February 2023
Kate Midgley	Chair of People and Development Committee from May 2022
Richard Griffin	
John Abbott	
Yolanda Fernandes	
Diana Riley	

Co-Optee

Andrew Wates OBE DL	Vice President Chair of New Build Committee
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Our Senior Management Team

Giles Tomsett	Chief Executive
Patricia Brayden	Medical Director
Paula McGoveney	Director of Income Generation and Marketing
Cathy Heard	Finance Director
Elly Powis	People and Site Services Director
Paul Rycroft	New Build Delivery and Collaboration Director
Sam Farr	Director of Care Services (Appointed March 2023)
Carol Harris	Director of Care Services (Resigned February 2023)

Our Advisors

Independent auditors:

Kreston Reeves LLP, Springfield House, Springfield Road, Horsham, West Sussex RH12 2RG

Principal bankers:

Barclays Bank Plc, 90-92 High Street, Crawley, West Sussex RH10 1YX

Solicitors:

DMH Stallard LLP, Gainsborough House, Pegler Way, Crawley, West Sussex RH11 7FZ

Investment Advisors:

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Rathbones Group Plc, 8 Finsbury Circus, London EC2M 7AZ

Registered Office:

Malthouse Road, Crawley, West Sussex RH10 6BH

Company Number: 01525404

Charity Registration Number: 281362

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ST CATHERINE'S HOSPICE LIMITED

Opinion

We have audited the financial statements of St Catherine's Hospice Limited (the "parent charitable company") and its subsidiary (the "group") for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Hospice Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2023, and of its 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence

we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual 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 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 our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and sector as a whole, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to Care Quality Commission (CQC) regulations, restrictions imposed by charity law on the use of restricted funds, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Charities SORP (FRS 102)

2019 and consider other factors such as sales tax and payroll taxes. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as legacy income recognition. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Reviewing correspondence with relevant tax and regulatory authorities including the most recent CQC inspection reports; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the

related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Lucy Hammond BSc FCA (Senior Statutory Auditor)

For and on behalf of Kreston Reeves LLP, Chartered Accountants and Statutory Auditor

Date: 18th July 2023

Horsham

Financial Statements

Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2023

	Note	Restricted £'000's	Designated £'000's	Unrestricted £'000's	Total Funds 2023 £'000's	Total Funds 2022 £'000's
Income						
Donations & Legacies	2	1,971	0	5,014	6,985	4,333
Trading Activities	4	0	0	2,755	2,755	2,391
Charitable Activities	5	1	0	3,117	3,118	4,715
Investments	3	0	0	279	279	133
Other Income		0	0	180	180	310
Total Income		1,972	0	11,345	13,317	11,882
Expenditure						
Fundraising & Investment Activities		0	63	1,399	1,462	1,249
Trading Activities		0	39	2,132	2,171	2,071
Charitable Activities		65	143	7,313	7,521	6,935
Total Expenditure	6	65	245	10,844	11,154	10,255
Net Income / (Expenditure) on Operational Activities	7	1,907	(245)	501	2,163	1,627
Net Gains / (Losses) on Investments	14,15	0	0	(388)	(388)	115
Net Income / (Expenditure) for the Year	8	1,907	(245)	113	1,775	1,742
Transfer Between Funds	20,21	0	0	0	0	0
Net Movement in Funds		1,907	(245)	113	1,775	1,742
Funds B/F as at 1st April		4,797	12,284	9,936	27,017	25,275
Funds Carried Forward as at 31st March		6,704	12,039	10,049	28,792	27,017

All gains and losses arising in the current and previous year have been recognised in the Statement of Financial Activities and arise from continuing activities.

The prior year comparators for each fund included above are included in notes 28 to 32

The notes on pages 33 to 53 form part of these financial statements.

Financial Statements

Balance Sheets as at 31 March 2023

Company Registration No. 01525404

	Notes	Group		Hospice	
		31 March 2023 £'000	31 March 2022 £'000	31 March 2023 £'000	31 March 2022 £'000
Fixed Assets					
Tangible Assets	13	2,669	2,668	2,669	2,668
Construction in Progress - Pease Pottage	13	13,398	2,530	13,398	2,530
Investments	14	7,316	13,329	7,366	13,379
		<u>23,383</u>	<u>18,527</u>	<u>23,433</u>	<u>18,577</u>
Current Assets					
Investments	15	493	3,768	493	3,768
Stock	16	7	3	0	0
Debtors	17	1,739	1,810	1,740	1,839
Cash at Bank		5,370	3,842	5,291	3,762
		<u>7,609</u>	<u>9,423</u>	<u>7,524</u>	<u>9,369</u>
Current Liabilities					
Creditors: amounts falling due within one year	18	2,180	902	2,180	902
Net Current Assets		<u>5,429</u>	<u>8,521</u>	<u>5,344</u>	<u>8,467</u>
Total Assets less Current Liabilities		<u>28,812</u>	<u>27,048</u>	<u>28,777</u>	<u>27,044</u>
Creditors: amounts falling due greater one year	11	20	31	20	31
Total Net Assets		<u>28,792</u>	<u>27,017</u>	<u>28,757</u>	<u>27,013</u>
The Funds of the Charity					
Restricted Funds	20	6,704	4,797	6,704	4,797
Designated Funds	21	12,039	12,284	12,039	12,284
Unrestricted Funds	21	10,049	9,936	10,014	9,932
Total Funds	22	<u>28,792</u>	<u>27,017</u>	<u>28,757</u>	<u>27,013</u>

The unconsolidated net income of the Hospice in 2022/23 was £1,744,000 (2021/22 £1,729,000).

The Financial Statements on pages 30 to 53 were approved by the Board of Directors and authorised for issue on 18th July 2023 and are signed on its behalf by:



Philip Ingleby
Trustee / Director

The notes on pages 33 to 53 form part of these financial statements.

Financial Statements

Consolidated Cash Flow Statement as at 31 March 2023

		31 March 2023 £'000	31 March 2022 £'000
	Notes		
Cashflows from Operating Activities			
Net Cash provided by / (used in) Operating Activities	25a	3,269	1,707
Cashflows from Investing Activities			
Divestment of Investments		6,000	0
Divestment of Current Asset Investments		3,300	0
Purchase of Property, Plant & Equipment		(173)	(84)
New Build Construction in Progress		(10,868)	(1,295)
Net Cash provided by / (used in) Investing Activities		(1,741)	(1,379)
Change in Cash & Equivalents in the Reporting Period		1,528	328
Cash & Equivalents at the beginning of the Reporting Period		3,842	3,130
Cash & Equivalents at the end of the Reporting Period	25b	5,370	3,842

The notes on pages 33 to 53 form part of these financial statements.

Accounting Policies

Principal Accounting Policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The hospice meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy notes.

Legal Status of the Charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member.

Going Concern

Having given prioritised oversight of, the financial forecasts, cashflows and risk register during the year in response to the pandemic and its impact on future aspirations, the Trustees have realigned the hospice's future strategic direction to meet short to medium term constraints. The Trustees, therefore, consider that there are no material uncertainties about St Catherine's Hospice Limited's ability to continue as a going concern for the foreseeable future. Free reserves currently exceed the charity's reserves policy requirements (as noted in the reserves policy) which has been agreed on a risk-based profile. Medium-term forecast projections indicate that the charity's free reserves remain within its policy's acceptable limits.

Material Areas of Judgement

The most significant area of judgement and key assumptions that affects items in the accounts is the estimation of income from Legacies. The estimated value of each outstanding legacy at 31 March is calculated in accordance with the principles set out in the Donation, Grants and Other Income section below. Another significant area of assumption is in respect of depreciation of Fixed Assets. The rates of write down are shown in the Tangible Fixed Assets section below. The Trustees are satisfied that these write down rates are a reasonable reflection of the expected useful life of the assets in each class.

Group Financial Statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiary St Catherine's Hospice Trading (Sussex) Limited on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Fund 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 where the donor has specified they should only be used for particular areas of the hospice's work. The aim and use of each designated and restricted fund is set out in the notes to the financial statements. Investment income, gains and losses are allocated to the appropriate fund.

Donated Assets

Tangible assets donated to the hospice are recorded at the original estimate of their value to the company.

A donation of land was received in 2019/20 and accounted for in accordance with this policy ensuring the valuation was a fair value, carried out by external professional valuers, as defined within FRS102 being the "amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

Tangible Fixed Assets

Fixed assets other than donated assets are stated at historical cost. All assets costing more than £2,000 are capitalised.

Accounting Policies

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write down each asset to its estimated residual value evenly over its expected useful life, as follows:-

Freehold buildings	2% per annum on cost
Extensions and refurbishments	10% per annum on cost
Equipment (excluding leasehold improvements)	25% or 17% per annum on cost
Leasehold improvements	calculated on remaining length of lease
Computer Equipment	25% per annum on cost
Motor vehicles	25% per annum on cost

Taxation

The company is considered to pass the tests set out in the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation on income or capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

Operating Leases

Rental costs under operating leases are charged to the general fund operating account in equal annual amounts in accordance with the terms of the lease. Any benefits received or receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period of the lease.

Pension Contributions

The charity operates a defined contribution pension scheme, the assets of which are held separately from those of the charity in independently administered funds chosen by individual staff. Some staff participate in the NHS defined benefit pension scheme. Any resulting liabilities on this scheme would be met by the State. Therefore, contributions payable for the year in relation to either scheme are charged in the Statement of Financial Activities.

The company also participates in a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The charity is also making additional payments into the fund in order to eliminate the deficit. These payments commenced in April 2013 and are currently scheduled to continue until January 2025. To recognise the future liability and in accordance with FRS 102 the Trustees have agreed to make a provision for the present value of the outstanding deficit contributions.

Further details including the current buy-out debt amount and value of the provision are given in Note 11.

Donations Grants and Other Income

Income is recognised in the Statement of Financial Activities when the charity is entitled to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income has related expenditure (as with fundraising or contract income) the income and related expenditure are reported gross in the Statement of Financial Activities.

- In the event that a donation or grant is subject to fulfilling performance conditions before the charity is entitled to the funds the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income accrued in debtors.
- Income from NHS contracts, government or other grants, whether capital or revenue in nature are recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that

Accounting Policies

the income will be received and the amount can be measured reliably.

- Income, including sponsorship received in advance for a future fundraising event or for a grant received relating to the following year is deferred until the criteria for income recognition is met.
- Items donated for resale through the retail shops are included in the accounts when the items are sold.
- Investment income is included when receivable and the amount can be measured reliably, usually when the notification of interest payable is received from the bank. Dividends are recognised once the dividend has been declared and notification has been received of the amount due.
- Income from legacies is determined on a case by case basis in accordance with the following principles. Pecuniary legacies are recognised once probate has been granted and notification has been received that payment will be received. Residuary legacies are recognised once probate has been granted, provided that sufficient information has been received to enable valuation of the hospice's entitlement with sufficient certainty; amounts receivable are included at 90% of their valuation, to reflect the sector's experience of the uncertainty inherent in the administration of estates, subject to further reduction to reflect the impact of other factors such as the valuation of unrealised estate assets or subsequent adverse movements in property and investment markets. 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.
- All subscriptions for the lottery draws are deferred, with income drawn down each week. All other income received in one period but relating to future periods is shown as deferred income under creditors.

Donated Goods and Services

Donations of goods and services, including seconded NHS doctors, are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from its use is probable and the economic benefit can be reliably measured. These items are included in income at the estimated value of the gift to the charity when received based on the amount the charity would have been prepared to pay had it been required to purchase them.

Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements. Further details of their contribution are provided in note 12.

Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis once there is a legal obligation to make a payment, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is categorised under the following headings:

Costs of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies; investment management fees; costs of fundraising activities including the costs of goods sold, shop costs, commercial trading and their associated support costs. Fundraising costs do not include the costs of disseminating information in support of the hospice's charitable activities.

Expenditure on charitable activities includes the costs of providing specialist palliative care and support to patients, their families and the wider community; research and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the hospice and include governance cost, finance and office costs. Governance costs are those costs incurred in connection with complying with constitutional and statutory requirements of the charity. Where practicable irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are allocated to each of the activities on a variety of bases, principally headcount, floor area or time spent on activities depending on the nature of the support costs, to best allocate the costs to each attributable heading. More details on the analysis and basis of allocation is given in note 6.

Financial Instruments

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

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price, except for the shares in the trading subsidiary which are carried at cost. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Accounting Policies

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired during the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The charity does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity and bond markets due to wider economic conditions, the attitudes of investors to investment risk and changes in sentiment concerning equities and other instruments within particular sectors.

Stock

Stock of goods for resale is valued at the lower of cost and net realisable value. Stock donated for resale are not included in the financial statements until they are sold because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place to record these until they are sold and undertaking a stock take would incur undue cost and income loss for the charity which would far outweigh the benefits.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid deposits with a short maturity of 95 days or less from the date of acquisition or opening of the account.

Creditors

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

Supporting Notes to Financial Statements

1 Income

Income derives from the group's principal activities carried on wholly in the United Kingdom.

2 Income from Fundraising Activities

	Restricted £'000's	Designated £'000's	Unrestricted £'000's	2023 £'000's	2022 £'000's
Donations	105	0	1,857	1,962	1,960
Legacies	0	0	3,048	3,048	1,573
Other Grants	40	0	109	149	222
Donations in Kind	0	0	0	0	0
Capital Appeal - Pease Pottage	1,826	0	0	1,826	578
	1,971	0	5,014	6,985	4,333

3 Income from Investments

	2023 £'000	2022 £'000
Listed Investment Income	157	132
Interest Received -Investments held as Current Assets	26	0
Interest Received – Bank and Other	96	1
	279	133

4 Income from Trading Activities

	2023 £'000's	2022 £'000's
Retail	1,412	1,330
Lottery	987	886
Fundraising Events	356	175
	2,755	2,391

5 Income from Charitable Activities

	2023 £'000	2022 £'000
NHS Block Contract / Grant	2,145	3,183
NHS Contribution to Drug Costs	129	116
NHS Contribution to Lymphoedema Service	0	29
NHS Community Support Pilot	319	319
Income for Inpatient Beds from Continuing Healthcare (CHC)	49	58
Research Grant	0	44
Other Service Contracts	335	393
COVID 19 Hospice UK (HUK) Support	0	446
COVID 19 Clinical Commissioning Group (CCG) Support	125	99
Education Income	16	28
	3,118	4,715

Supporting Notes to Financial Statements

Statutory income from Surrey Heartlands CCG included an expedited receipt of £600k, in 2021/22, in support of additional staffing and agency costs during the height of Omicron which was offset in the 2022/23 contractual agreement.

6 a) Expenditure

	Direct Costs £000's	Support Costs £000's	Depreciation £000's	Total 2023 £000's	Total 2022 £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	1,080	284	22	1,386	1,144
Capital Appeal - Pease Pottage	41	0	0	41	71
Investment Management	35	0	0	35	34
	1,156	284	22	1,462	1,249
Trading Activities					
Retail Shops	1,315	449	23	1,788	1,603
Lottery Costs	83	93	2	178	282
Fundraising Events	9	192	4	205	186
	1,407	734	30	2,171	2,071
Charitable Activities					
Inpatient Services	2,837	1,026	50	3,913	3,615
Community Services	2,413	552	44	3,010	2,777
Wellbeing Services	19	305	21	346	308
Education	182	67	4	253	235
	5,451	1,951	119	7,521	6,935
	8,014	2,969	171	11,154	10,255

b) Analysis of Support Costs in a) above

	Facilities & Hospitality £000's	Support Services £000's	Corporate Comms £000's	Governance £000's	Support Costs Total £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	57	163	54	10	284
	57	163	54	10	284
Trading Activities					
Retail Shops	94	317	19	20	449
Lottery Costs	58	12	23	1	93
Fundraising Events	57	83	48	5	192
	208	411	89	26	734
Charitable Activities					
Inpatient Services	260	703	19	44	1,026
Community Services	72	434	19	27	552
Wellbeing Services	101	175	19	11	305
Education	22	35	8	2	67
	455	1,347	64	85	1,951
	720	1,922	207	121	2,969

Supporting Notes to Financial Statements

7 Trading Operations

The wholly owned trading subsidiary, St Catherine's Hospice Trading (Sussex) Limited, UK company registration number 02822993, pays all its eligible profits to the charity under Gift Aid. The company manages the sale of purchased goods through the hospice retail shops as well as the collaboration agreements with St Peter and St James Hospice for Finance support and St. Wilfrid's Hospice for IT support.

The charity owns the entire issued share capital of 50,000 shares of £1 each. A summary of the trading results is shown below.

	2023 £'000	2022 £'000
Turnover	227	68
Cost of Sales	30	28
Gross Profit	197	40
Other Operating Expenses (net)	163	27
Profit on Ordinary Activities	34	13
Donations under Gift Aid	4	0
Corporation Tax		
Profit Retained in the Subsidiary	30	13

8 Net Income / Expenditure

	2023 £'000	2022 £'000
Net Income / (Expenditure) is stated after charging:		
Tangible Fixed Asset Depreciation and amounts Written Off in the Period		
Owned Assets	159	167
Operating Lease Rentals - Equipment	23	23
Operating Lease Rentals - Shops & Office	380	358
Auditors Remuneration - Audit	18	15
Auditors Remuneration – Tax Business	0	2

Supporting Notes to Financial Statements

9 Employees

	2023 FTE's	2022 FTE's
Average Weekly FTE's		
Fundraising	22	20
Retail	26	24
Inpatient Services	50	48
Community Services	41	42
Wellbeing Services	0	0
Education	3	3
Support Services	50	46
	192	183

The hospice employs a significant number of staff on a part-time basis. The average of number of paid staff in the charity and group in 2022/23 was 243 (2021/22: 237).

	2023 £'000	2022 £'000
Staff Costs		
Salaries	6,961	6,721
Social Security Costs	676	623
Other Pension Costs	570	511
	8,207	7,855

The hospice made ex gratia payments to staff in 2022/23 of £22,000 (2021/22 NIL). Pension costs for 2022/23 are £479,000 (2021/22 439,000), net of NHS funding. No emolument was paid during the year to any of the Directors (2021/22: £Nil) and no Director was reimbursed for expenses (2021/22: £Nil). Included in the staff costs above is £291,000 (2021/22 £282,000) in respect of seconded NHS doctors paid from NHS funds.

The number of employees who received emoluments in the following ranges was:

	31 March 2023 £'000	31 March 2022 £'000
£60,001 - £70,000	2	3
£70,001 - £80,000	1	3
£80,001 - £90,000	3	0
£90,001 - £100,000	2	1
£100,001 - £110,000	1	1
£110,001 - £120,000	1	2
	10	10

All of the above higher paid employees are accruing retirement benefits under schemes treated as defined contribution schemes. The company made pension contributions of £90,654. on behalf of these staff in 2022/23 (2021/22 £105,000).

Supporting Notes to Financial Statements

The hospice considers that the key management personnel comprise the senior management team – who are the Chief Executive and 6 other key Directors and Heads of Service. The total employee benefits of the key management staff were £751,000 (2021/22 £613,000).

10 Related Party Transactions

During the year no Trustees received any remuneration or benefits in kind (2021/22 £Nil). Moreover, no Trustees received any reimbursement of travel expenses (2021/22 £Nil). Donations from Trustees to the charity amounted to £24,412 in 2022/23 (2021/22 £41,820).

The charity provided services during the year to its wholly owned trading subsidiary, St. Catherine's Hospice Trading (Sussex) Limited. The charge for those services amounted to £26,000 (2021/22 £23,000). A donation of £3,790 was made under gift aid from the trading subsidiary in the year (2021/22 NIL).

There were no other related party transactions in the current year or previous year.

11 Pension Contributions

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
--	-----------------------------	--------------------------

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)
--	------------------------------	---

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present Value of Provision	2023	2022	2021
	£'000	£'000	£'000
Present Value of Provision	20	31	136

Supporting Notes to Financial Statements

Reconciliation of Opening & Closing Provisions

	2023 £'000	2022 £'000
Provision at start of Period	31	136
Unwinding of Discount Factor (Interest Expense)	1	1
Deficit Contribution Paid	(12)	(34)
Remeasurement - Amendment to Contribution Schedule	0	(72)
Provision at End of Period	20	31

Income & Expenditure Impact

	2023 £'000	2022 £'000
Interest Expense	1	1
Amendment to Contribution Schedule	(1)	(1)
Costs charged to Income & Expenditure Account	0	0

A rate of discount of 2.5% has been assumed in both 2021/22 and 2022/23 representing the Hospice's estimate of the cost of money to the charity.

The hospice also participates in a defined contribution pension scheme operated by the Pensions Trust, the assets of which are held separately from those of the hospice. Employees contribute between 3.2% and 6% of their salary with the charity contributing 150% of the employee contribution.

The total pension cost charge of the group represents contributions payable by the charity and amounted to £563,000 (2021/22: £511,000).

At the year-end contributions outstanding totalled £0 (2021/22: £0) and are included in the creditors. The estimated employer pension contributions payable by the company in 2023/24 is £640,000.

12 Volunteers

The charity is dependent upon a team of part-time voluntary helpers who assist in all areas of the charity's care. There are three key types of volunteers:

Hospice Volunteers - providing a range of clinical services (e.g. complementary therapy, counselling, patient drivers) and support services (e.g. administration, hospitality, gardeners).

Retail Volunteers - providing sorting and till support to 14 charity shops, our warehouse and e-commerce work.

Community - supporting our fundraising work through Friends groups, running street collections and supporting events (e.g. marshalling, registration, refreshments, game stalls).

Supporting Notes to Financial Statements

13 Tangible Fixed Assets

Hospice & Group	Freehold Land & Buildings £'000	Equipment £'000	Motor Vehicles £'000	Construction in Progress £'000	Total £'000
Cost / Valuation at 1st April 2022	5,150	1,195	85	2,530	8,960
Additions	128	45	0	10,869	11,042
Disposals	0	0	(37)	0	(37)
Cost / Valuation at 31st March 2023	5,278	1,240	48	13,399	19,965
Depreciation at 31st March 2022	2,662	1,049	51	0	3,762
Charged in the Year	85	61	13	0	159
Disposals	0	0	(24)	0	(24)
Depreciation at 31st March 2023	2,747	1,110	40	0	3,897
Net Book Value 31st March 2023	2,531	130	8	13,399	16,068
Net Book Value 31st March 2022	2,488	146	34	2,530	5,198

All the tangible fixed assets of the group are part of the accounts of the main charity.

Freehold land at Malthouse Road was donated to the hospice and valued at £60,000 by the Directors in December 1983.

Freehold land at Pease Pottage was donated to the hospice in December 2018. The Trustees carried out a valuation, supported by a firm of independent advisors, who valued the land at £1,000,000. The basis of value is at a fair value, as defined within the Financial Reporting Standard FRS102, being "the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

All freehold land and buildings are included in the financial statements at lower of cost and open market value. In the opinion of the Directors, the open market value of the freehold land and buildings is not less than the stated value.

14 Fixed Asset Investments

	Listed Investments £'000
Cost / Market Value 1st April 2022	13,329
Realised Gains / (Losses) on Disposal	(17)
Unrealised Gains / (Losses)	(370)
Dividends & Interest	157
Management Fee	(35)
Movement of Shares to Investments	252
Funds withdrawn for New Hospice Build	(6,000)
Cost / Market Value 31st March 2023	7,316
Historical Cost 31st March 2023	6,654

Supporting Notes to Financial Statements

Investments held by the charity also include an additional £50,000 (2021/22 - £50,000) investment in the subsidiary company at cost.

Subsidiary Company

Name	Country of Incorporation	Class of Holding	Proportion Held	Aggregate Capital & Reserves £'000	Result for Year £'000
St Catherine's Hospice Trading (Sussex) Limited	England	Ordinary	100%	50	-

15 Investments held as Current Assets

Cost / Market Value 1st April 2022	£'000
	3,768
Cash held in deposit accounts	25
Cash withdrawn for New Hospice Build	(3,300)
Cost / Market Value 31st March 2023	493
Historical Cost 31st March 2023	430

16 Stock

	Group		Hospice	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Stock				
Goods for Resale	7	3	0	0
	7	3	0	0

17 Debtors

	Group		Hospice	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Debtors				
Trade Debtors	90	100	90	100
Accrued Legacy Income	1,133	1,155	1,133	1,155
Amounts due from Subsidiary Company	0	0	0	25
Other Prepayments & Accrued Income	363	542	363	542
Other Debtors	153	13	154	17
	1,739	1,810	1,740	1,839

Supporting Notes to Financial Statements

18 Creditors: Amounts falling due within one year

	Group		Hospice	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Creditors				
Trade and Other Creditors	214	330	214	330
Taxation and Social Security Costs	160	239	160	239
Accruals & Deferred Income	1,770	134	1,770	147
Other Creditors	36	186	36	186
	<u>2,180</u>	<u>902</u>	<u>2,180</u>	<u>902</u>

19 Reserves – Movements by Fund

This schedule presents the final reserves position by fund, together with those designated and restricted funds for the New Hospice shown in total as a memo.

	Restricted Funds	Designated Funds	Unrestricted Funds	Total Funds	<i>New Hospice Funds (memo)</i>
Balance as at 01/04/2022	4,797	12,284	9,936	27,017	12,195
Net Operating Income / (Expenditure)	1,907	(245)	501	2,163	1,931
Net Gains / (Losses) on Investments	0	0	(388)	(388)	
Net Inc / (Dec) in Reserves	1,907	(245)	113	1,775	1,931
Transfers between Funds	0	0	0	0	0
Net Inc / (Dec) in Reserves	1,907	(245)	113	1,775	1,931
Balance as at 31/03/2023	6,704	12,039	10,049	28,792	17,672
Less:					
Fixed Assets	1,000	0	1,669	2,669	1,000
Construction in Progress	4,803	8,570	25	13,398	13,398
Available Reserves	901	3,469	8,355	12,725	3,274
Free reserves			8,355		

Notes 20 and 21 provide further detail on fund movements in the year.

Supporting Notes to Financial Statements

20 Restricted Funds: Group & Charity

	Balance 1 April 2022	Income in Year	Expenditure in Year	Transfers In / (Out)	Balance 31 March 2023
Inpatient services	22	2	6	0	18
Community Services	20	32	52	0	0
Wellbeing Services	188	0	0	0	188
Education	28	0	0	0	28
Capital & Equipment	31	0	0	0	31
Other	0	6	6	0	0
Total Funds	289	40	64	0	265
Donations in Kind	1,000	0	0	0	1,000
New Horizons Donation to New Build	1,100	0	0	0	1,100
Capital Appeal - Pease Pottage	2,408	1,931	0		4,339
Total Funds	4,797	1,971	64	0	6,704

The hospice may receive grants or donations whose use is restricted by the donor. In these circumstances, the funds are shown as restricted.

The restricted fund is managed through a governance group with expenditure aligned to donations.

Wellbeing Services

Garden fund - monies raised to re-develop and enhance the hospice garden.

Creative Therapies – funds to support creative activities primarily in the Day Hospice.

Living Well groups – donations provided to support the operation of Living Well activity groups.

Community Services

Horsham Carers Support – funds provided by Horsham Hospital League of Friends to provide support and practical skills training for carers in the Horsham area

Community Nursing – funds donated towards the cost of a community nurse.

Education

Funds raised in support of education.

Capital & Equipment

Funds raised in support of capital and equipment.

Other

Funds raised for items not included above.

Capital Appeal – Pease Pottage

The generous donation of five acres of land as a gift in kind from Mr Bill Bridges as the site to build a new hospice has been valued as a gift in kind, by the Trustees supported by a firm of independent advisors at £1m.

Funds donated specifically towards the construction of our new hospice which is due to complete in 2023.

Supporting Notes to Financial Statements

21 Unrestricted Funds

	Balance 1 April 2022	Income in Year	Expenditure in Year	Gain / (Loss) on Investments in Year	Transfers In / (Out)	Balance 31 March 2023
Designated Funds						
New Hospice Fund	11,233	0	0	0	0	11,233
Strategic Delivery	1,051	0	245	0	0	806
Total Designated Funds	12,284	0	245	0	0	12,039
General Funds	9,936	11,344	10,843	(388)	0	10,049
Total Unrestricted Funds	22,221	11,344	11,088	(388)	0	22,088

Unrestricted reserves are available to be used for:

- The day to day running of the hospice.
- The costs of any capital projects in whole or in part where the cost is not met from any other fund; and
- For any other purpose as the Directors see fit to fulfil the objectives of the hospice.

Designated funds have been agreed by the Trustees to support costs in the delivery of its strategic goals.

New Hospice Fund

St. Catherine's has now commenced the construction of a new hospice at Pease Pottage following the generous donation of five acres of land from Mr Bill Bridges and a donation from Mr John Shemeld in excess of £6m, representing monies set aside to finance the future major capital developments that are required to maintain and enhance the services of the hospice. This fund has been supported by the charity's Capital Appeal and its reserves.

Strategic Delivery Fund

The Trustees have agreed to designate funds in support of the delivery of the charity's strategic aims with regular review and monitoring. Current funds are detailed below:

	£'000
New Build Transition and Capital Appeal	160
New Ambition Voluntary Income Growth	196
Sussex Collaboration	23
Electronic Patient Record System	69
Digital Transformation Projects	147
IT Infrastructure Investment	158
Quality Improvements	15
HR - Management Development and EDI Agenda	38
	806

Supporting Notes to Financial Statements

22 Analysis of Group Net Assets between Funds

	Unrestricted	Restricted	Total Funds 2023	Unrestricted	Restricted	Total Funds 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible Fixed Assets	2,653	16	2,669	2,668	0	2,668
Construction in Progress - Pease Pottage	7,032	4,803	11,835	65	2,465	2,530
Fixed Asset Investments	7,216	100	7,316	13,229	100	13,329
Current Asset Investments	493	0	493	3,768	0	3,768
Other Current Assets	5,139	1,785	6,924	3,223	2,232	5,655
Current Liabilities	(423)	0	(423)	(902)	0	(902)
Provisions	(22)	0	(22)	(31)	0	(31)
	22,088	6,704	28,792	22,220	4,797	27,017

23 Members of the Hospice

As at 31 March 2023 there were 52 members (2021/22: 50) of the company who are required to contribute £1 each in the event of the company being wound up.

24 Operating Lease Commitments

At 31 March 2023 the group was committed to make the following payments in respect of operating leases:

	2023	2022
	£'000	£'000
Land & Buildings		
Amounts due within One Year	291	341
Amounts due in Two to Five Years	736	869
Amounts due in over Five Years	96	248
Other		
Amounts due within One Year	23	23
Amounts due in Two to Five Years	7	22
	1,153	1,503

Payments under operating leases are recognised as expenditure as they fall due. No provision has been made for future commitments.

Supporting Notes to Financial Statements

25 Cashflows

	2023	2022
	£'000	£'000
a) Net Income / (Expenditure) for the Reporting Period	1,775	1,955
Adjust for:		
Depreciation	159	167
(Gains) / Losses on Sale of Assets	13	0
Non Cash Donations (Shares, Land & Property)	0	50
Net gains on investments	(20)	(324)
(Increase) / Decrease in Stocks	4	(1)
(Increase) / Decrease in Debtors	71	(540)
Increase / (Decrease) in Provisions	(11)	(105)
Increase / (Decrease) in Creditors	1,278	517
Net Cash provided by / (used in) Operating Activities	3,269	1,506

b) Analysis of Cash & Cash Equivalents

	2023	2022
	£'000	£'000
Cash in Hand	5,370	3,842
Notice Deposits (less than 3 Months)	493	3,768
Total Cash & Cash Equivalents	5,863	7,610

26 Capital Commitments

The charity has entered into capital commitments £16.7m, with Barnes Construction the approved contractor, to build its new hospice at Pease Pottage. The full capital commitment of delivering the new hospice is £19.5m, of which £13.4m had been spent as at 31/03/2023.

27 Post Balance Sheet Events

The hospice has been notified of two legacies that have been granted probate but did not meet the recognition criteria at the 31st March 2023. These legacies have been estimated at a potential value of approximately £1.4m.

The trading company entered into a 125 year lease with Thakeham Pease Pottage LLP, for parts of the Community Hub Building at Grace Holland Avenue, Pease Pottage RH11 9SL, which will provide a coffee shop, meeting rooms and a shop. This lease was signed on 15th May 2023.

Supporting Notes to Financial Statements

28 SOFA prior Year Comparatives

	Note	Restricted £'000's	Designated £'000's	Unrestricted £'000's	Total Funds 2022 £'000's	Total Funds 2021 £'000's
Income						
Donations & Legacies	2	665	0	3,668	4,333	4,501
Trading Activities	4	0	0	2,391	2,391	1,500
Charitable Activities	5	483	0	4,232	4,715	5,353
Investments	3	0	0	133	133	122
Other Income		1	0	309	310	718
Total Income		1,149	0	10,733	11,882	12,194
Expenditure						
Fundraising & Investment Activities		0	94	1,155	1,249	950
Trading Activities		0	40	2,031	2,071	2,229
Charitable Activities		130	148	6,657	6,935	7,601
Total Expenditure	6	130	282	9,843	10,255	10,780
Net Income / (Expenditure) on Operational Activities	7	1,019	(282)	890	1,627	1,414
Net Gains / (Losses) on Investments	14,15	0	0	115	115	541
Net Income / (Expenditure) for the Year	8	1,019	(282)	1,005	1,742	1,955
Transfer Between Funds	20,21	(383)	(44)	427	0	0
Net Movement In Funds		636	(326)	1,432	1,742	1,955
Funds B/F as at 1st April		4,161	12,610	8,504	25,275	23,320
Funds Carried Forward as at 31st March		4,797	12,284	9,936	27,017	25,275

Supporting Notes to Financial Statements

29 Note 6 Expenditure – prior year

a. Expenditure

	Direct Costs £000's	Support Costs £000's	Depreciation £000's	Total 2021 £000's	Total 2020 £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	875	248	21	1,144	900
Capital Appeal - Pease Pottage	71	0	0	71	19
Investment Management	34	0	0	34	31
	980	248	21	1,249	950
Trading Activities					
Retail Shops	1,196	384	23	1,603	1,591
Lottery Costs	191	89	2	282	153
Fundraising Events	9	173	4	186	485
	1,396	646	29	2,071	2,229
Charitable Activities					
Inpatient Services	2,685	881	49	3,615	3,971
Community Services	2,270	463	44	2,777	2,510
Wellbeing Services	19	268	21	308	885
Education	172	59	4	235	235
	5,146	1,671	118	6,935	7,601
	7,522	2,565	168	10,255	10,780

b. Analysis of Support Costs

	Facilities & Hospitality £000's	Support Services £000's	Corporate Comms £000's	Governance £000's	Support Costs Total £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	57	131	50	10	248
	57	131	50	10	248
Trading Activities					
Retail Shops	93	254	17	19	383
Lottery Costs	57	9	21	1	88
Fundraising Events	57	66	44	5	172
	207	329	82	25	643
Charitable Activities					
Inpatient Services	258	566	17	42	883
Community Services	72	348	17	26	463
Wellbeing Services	101	140	17	10	268
Education	22	28	8	2	60
	453	1,082	59	80	1,674
	717	1,542	191	115	2,565

Supporting Notes to Financial Statements

30 Note 20 Restricted Funds - prior year

	Balance 1 April 2020	Income in Year	Expenditure in Year	Transfers In / (Out)	Balance 31 March 2021
Inpatient services	26	2	6	0	22
Community Services	20	75	75	0	20
Wellbeing Services	221	11	44	0	188
Education	28	0	0	0	28
Capital & Equipment	36	0	5	0	31
Total Funds	331	124	130	0	289
COVID-19	0	483	0	(483)	0
Total Including COVID-19 Funds	331	571	130	(483)	289
Donations in Kind	1,000	0	0	0	1,000
New Horizons Donation to New Build	1,000	0	0	100	1,100
Capital Appeal - Pease Pottage	1,830	578	0	0	2,408
Total Funds	4,161	1,149	130	(383)	4,797

31 Note 21 Unrestricted Funds – prior year

	Balance 1 April 2020	Income in Year	Expenditure in Year	Gain / (Loss) on Investments in Year	Transfers In / (Out)	Balance 31 March 2021
Designated Funds						
New Hospice Fund	11,273	0	40	0		11,233
Strategic Delivery	1,337	0	242	0	(44)	1,051
Total Designated Funds	12,610	0	282	0	(44)	12,284
General Funds	8,504	10,733	9,843	115	427	9,936
Total Unrestricted Funds	21,114	10,733	10,125	115	383	22,220

Supporting Notes to Financial Statements

32 Note 22 Analysis of Group Net Assets between Funds – prior year

	Unrestricted	Restricted	Total Funds 2021	Unrestricted	Restricted	Total Funds 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible Fixed Assets	2,668	0	2,668	1,751	1,000	2,751
Construction in Progress - Pease Pottage	65	2,465	2,530	0	1,235	1,235
Fixed Asset Investments	13,229	100	13,329	12,065	1,000	13,065
Current Asset Investments	3,768	0	3,768	3,765	0	3,765
Other Current Assets	3,224	2,232	5,456	4,054	926	4,980
Current Liabilities	(902)	0	(902)	(385)	0	(385)
Provisions	(31)	0	(31)	(136)	0	(136)
	<u>22,220</u>	<u>4,797</u>	<u>27,017</u>	<u>21,114</u>	<u>4,161</u>	<u>25,275</u>

Our special thanks to all who have supported St. Catherine's in 2022-23 Our full audited accounts are available at: www.stch.org.uk

We would like to thank the patients and family members who have kindly allowed us to feature their photographs and words in this report. Where applicable, the relevant social distancing guidelines were observed for all photographs.

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ST CATHERINE'S HOSPICE LIMITED

England & Wales - Charity number 281362

Accounts



ST CATHERINE'S HOSPICE LIMITED
ANNUAL REPORT AND ACCOUNTS
YEAR ENDED 31 MARCH 2022

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INTRODUCTION FROM THE CHAIRMAN AND CHIEF EXECUTIVE

This year has continued to present challenges. We navigated the Omicron surge over the winter of 2021-22 and emerged from the restrictions of lockdown and other challenges facing our partners across the wider health and social care system. We are delighted to be working more and more closely with the NHS new structures emerging from the Health and Care Act 2022, to explore new opportunities for working on services aligned to our neighbourhood need.



Terry O'Leary Chairman

St Catherine's has maintained its excellent reputation locally as a valued partner in care and as a provider of high-quality palliative, end of life care and bereavement services. Once again, we have also seen some fantastic successes from across our teams which would not have been possible without the loyalty and dedication of our employees, volunteers and supporters.

The year saw us welcome employees back to site as pandemic restrictions eased and where possible, we have embraced hybrid working arrangements which had served us well during the pandemic.

The impact of the pandemic has further focused our strategy on the future sustainability of our organisation. The Board were delighted that our senior managers worked together to build a compelling new business plan which enjoys the confidence of teams throughout the hospice.



Giles Tomsett Chief Executive

This year we have begun to build back our voluntary income with our retail shops delivering pre-pandemic income levels which is a testament to every shop team and our volunteers. Our fundraising efforts have focused on the safe planning of our events portfolio for 2022 in tandem with the acquisition of new donors and stewardship of our current donor base. Nothing we have achieved would be possible without donations of goods and money and we thank everyone who has stood with us over these last two tough years.

As we gained greater clarity on our finances, the Board approved the re-engagement of the £19.5m build of our new hospice at Pease Pottage in November 2021, with the build commencing in February 2022. Our new hospice is due to be completed in late 2023 which coincides with our pearl anniversary and will provide a high class 24 bedded inpatient facility and increase our community and wellbeing services to support our local communities. To meet the total costs of the build, we relaunched our paused capital appeal, culminating with a crowd funded appeal over the May bank holiday weekend which raised £996k including gift aid, bringing the total raised to date to £5.1m.



“Our new hospice is due to be completed in late 2023 which coincides with our pearl anniversary. It will provide a high class 24 bedded inpatient facility and increase our community and wellbeing services to support our local communities.”

We are seeing the benefit of our organisational restructures in response to the pandemic and national nursing shortages. We have engaged with our NHS partners as we work to collaborate and integrate our services to provide a patient centric service across our catchments. In tandem collaboration opportunities across our local hospices have continued providing greater efficiency in operational delivery.

The digital world is also high on our agenda. We implemented our new electronic patient system in May this year providing greater links with NHS records to support patient care and have several opportunities being explored to support our services further with the support of a partnership with Deloitte.

Finally, after a time of great dislocation and sadness, we would like to place on record our profound thanks to our trustees, volunteers, managers, employees and supporters for their enormous contribution in this last year. We go forward with confidence in them and in our Vision, Mission and Values. The pandemic has surely given greater clarity and emphasis on the importance of a good death. This must include optimising the quality of life for people with life limiting illness, supporting people to die where they want to and supporting carers and helping families with bereavement.

Terry O’Leary Chairman

Giles Tomsett Chief Executive



OUR VISION

A world where everyone can face death informed, supported and pain free.

OUR MISSION

Pioneering standards in expert care and support for anyone facing death and bereavement.

OUR VALUES

Integral to all that we do:

Human

We treat people with understanding, patience, respect and above all dignity. We are the welcoming smile, the talk over a cup of tea, the human touch.

Courageous

We stand firm, we do not flinch in the face of hard news, but always with humanity, sensitivity and respect for our community.

Energetic

Whether we're out running a fun run or at the hospice greeting our patients, we bring the energy and the optimism to make the most of every day.

Connected

We are not an island, we thrive on partnerships and working with others, we believe we're better and stronger together.

Expert

We are looked up to by our community and peers as the organisation to go to for knowledge, training, best practice and latest techniques.

OUR STRATEGIC AIM:

To provide outstanding care and support to more people underpinned by education and research with a commitment to working in partnership.

PRIORITY 1

DELIVERING CARE

To expertly develop our multidisciplinary teams with tailored, integrated, and effective end of life care, wrapped around people we support and those close to them.

Our Successes In The Year:

- In response to the pandemic and the changes in the way we work, including the reduction of our inpatient capacity to 12 beds, we have restructured our teams to provide effective multi-disciplinary teams. Our teams are led by our clinical experts to provide our care with each person firmly at the heart of all we do, linking with other community care providers and our local NHS Trust.
- To support our teams and their aspirations, we have provided a skills matrix with succession planning, development opportunities and career progression to further develop their expertise.

Our Future Priorities:

- We will continue to optimise our patient led experiences in response to COVID and commissioning requirements with safe, effective services, supported by tailored support and care.
- We will continue to focus on the future development of our inpatient, community, and wellbeing services, supported by collaboration and partnership opportunities.



To be expert, developing our clinical governance, quality and effectiveness through best practice, continuous improvement, and efficiency to achieve the highest standards of patient experience and best clinical outcomes.

Our Successes In The Year:

- Our Harm Free Care Task and Finish Groups have developed expertise in link roles across our inpatient and community teams as well as refreshing end of life care knowledge with our external colleagues in support of excellent patient care.
- We have connected with our CQC Relationship Manager with regular meetings to maintain our expertise.
- We are piloting “My Care Book”, a tool for patients to understand their end-of-life care needs supported by our healthcare professionals with individualised care.

Our Future Priorities:

- We will further develop “My Care Book” allowing our teams to connect with patients and families as individuals where they are well informed and able to lead their care needs, gathering real time feedback to further improve and tailor our services.
- We will establish a refreshed Clinical Governance Group and framework, expanding our current structures, expertly working to the “Quality Triangle” with the patient experience firmly placed at the centre.

We will develop our readiness and expertise for inspection from the CQC and CHKS into our daily operations through our Governance Groups, ongoing audits, training and learning.

Our Measurement and Impact

Providing Excellent Clinical Care:

- Our latest CQC inspection was carried out in 2016 with an overall rating of “Outstanding”. We regularly meet with our CQC Relationship Manager to maintain our expertise.
- We are accredited with CHKS (Comparative Health Knowledge System) whose framework informs our internal Quality Management System.
- We provide annual submissions to the NHS Data Security and Protection Toolkit to provide assurance that the hospice is practicing good data security and that personal information is handled appropriately.

- We support a “Voices of Experience Group” who provide input to patient, carer and family experiences, supporting us in enhancing the quality of service and care we provide.
- **99%** of people, families and carers asked said they would recommend St Catherine’s Hospice.
- **100%** of families and carers were offered the VOICES bereavement survey.
- On average we responded to concerns and complaints in **18 days** (target 25 days).

We received 408 compliments from people we support and those close to them ...



VIOLET

Care Story

We've been supporting Violet at home after she was diagnosed with cancer. Here Violet shares more.

"I found out my cancer was terminal when I saw palliative care ticked in a tick box on a medical form I was sent. When I read that I thought "how long have I got?"

When my oncologist referred me to St Catherine's it was a shock

My brother died at the hospice and I thought it was just a comfortable, loving place where people were admitted to die. You never want to be referred because you think it's the final nail in a coffin. I had no idea the hospice offered other services or that people were sometimes discharged.

My illness caused some difficult times

Sometimes I was in so much pain I couldn't speak, and I was writhing on the floor. With coronavirus, services were overwhelmed and I didn't know who to turn to. One day I closed my eyes and said goodbye to the world as I didn't want to wake up again.

St Catherine's stepped in to help

They supported me in ways I didn't even know they could, I really wouldn't have coped without them especially during coronavirus. The hospice sent someone to visit me at home and it's been so helpful to hear a friendly voice on the phone. A phone call with the hospice always makes me feel better.

Knowing I can call St Catherine's provides such reassurance

The team understand I'm a very practical person and they've never said "I'm so sorry" as that's not what I want to hear but they've helped me sort out my problems. They've always listened and had time for me. They've spoken to doctors to help me deal with my pain and prescribed medications that are there when I go to the chemist. Their support has lifted some of my stress and worry – I'd be lost without them.

The team have been the only people who've been there and who I could get hold of at a time the NHS has been under unprecedented pressure.



Pictured Violet

I like to be in control of myself and the hospice has given me that, but I also have confidence they're looking after me.

Their help has been invaluable

They've not just made me comfortable they've saved my life. I have a longer life than I expected now, which is mainly down to them.

If anyone else is in a similar situation and is referred to the hospice I want to reassure you they're there to help you not to bury you!

But the hospice relies on fundraising

Without people like you, the hospice wouldn't be able to help people like they've helped me.

"St Catherine's gives me confidence someone is looking after me"

"When we're out visiting people in the community, we become the face of the hospice. We're often beeped at, or people will shout 'you're amazing' when we're filling our cars in the petrol station. At first you wonder what's happening but it's lovely that people care so much and genuinely love the hospice. I've lost count of the number of times colleagues have come back to the office and said the garage insisted on giving them a free coffee! People are so appreciative of the work we all do."

Natalie, Senior Staff Nurse, Community

1,645 PATIENTS AND FAMILIES WERE SUPPORTED IN THE COMMUNITY WITH **277** IN THE INPATIENT UNIT



OUR COMMUNITY TEAMS MADE **2,721** HOME VISITS AND **26,516** TELEPHONE CALLS TO PATIENTS, CARERS AND PROFESSIONALS TO SUPPORT CARE AT HOME



WE PROVIDED **3,915** DAYS OF INPATIENT CARE WITH AN AVERAGE BED OCCUPANCY LEVEL OF **89%** AND AN AVERAGE LENGTH OF STAY OF **14** DAYS

REACHING THOSE WHO NEED US



WE PROVIDED **172** PEOPLE WITH SOCIAL CARE SUPPORT



WE MADE **3,772** VISITS TO PEOPLES' HOMES SUPPORTING THEM IN PRACTICAL CARE



Supporting Our People, Families And Carers Through Death:

- **84%** of people died where they told us they wanted to die.
- Only **14%** of the people we supported died in hospital.
- We provided **7,264** counselling sessions both virtual and in person where safe to do so.

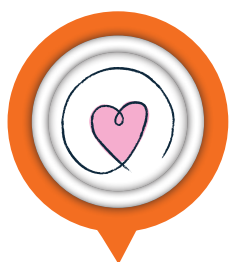
Providing Individualised Support:

- **100%** of people we cared for received an individualised assessment and care plan.
- **2,756** people accessed our wellbeing services.
- Multi disciplinary team support was available to **100%** of people referred to us and those close to them.

Harm Free Care:

- We have had no acquired MRSA or COVID cases in the year. Our last acquired COVID case was in January 2021 and we were able to reopen our inpatient facility to new admissions in two weeks.
- Our Infection Control audit was carried out in March 2022 and actions taken for issues raised.
- All employees and volunteers are required to attend safeguarding training and this is further supported by our safeguarding team.
- We reduced our falls incidents to zero, where falls have resulted in severe harm.
- We applied for 8 Deprivation Of Liberty (DOLs) concerns in the year.
- We have introduced a new training package for Duty of Candour with immediate apology offered after any incident.

The people we care for:



92% OF INPATIENTS HAD A CARE PLAN IN PLACE



63% HAD A CANCER DIAGNOSIS



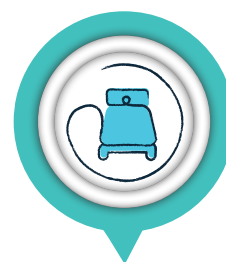
MALE 48%, FEMALE 52%



44% LIVE IN SURREY AND 56% LIVE IN SUSSEX



51% ARE AGED 75 OR OVER AND 8% UNDER 55



16% HAD A FRAILTY/ DEMENTIA DIAGNOSIS

"Coming into the hospice was like coming into a home from home. I have a room of my own with a hospital style bed and a big comfy automatic 'granny chair'. The nursing team are absolutely top notch, and they have time to give care with such gentleness and love. It is peaceful here. There is a garden. I can get outside. I can have flowers in my room and newspapers can be delivered. The kitchen stocks chocolate ice-cream in the freezer available 24/7! I feel peaceful and well supported. This will be a good place to die."

Clair, Patient

PRIORITY 2

OUR VOLUNTARY INCOME

To build back and maximise our income opportunities to support the organisation in the delivery of our services enabling exceptional standards of care and outcomes.

FUNDRAISING INCOME

Our Successes In The Year:

- As our events remained on pause during the last year, we used our expertise to seek out the most effective fundraising opportunities. We have delivered successful appeals and donation opportunities and we remain connected with our loyal donors.
- We were delighted to at last hold our postponed Sahara Trek in 2022 and look forward to our Midnight Walk event and cheering on our team of runners in this year's London Marathon.

Our Future Priorities:

- We will continue to look after relationships with our current donors, offering them ways to maintain and grow their support of St Catherine's. Ultimately to increase donations for the hospice.
- We will align our strategic direction to also attract new donors across the communities we serve, as we continue to rebuild our income.
- We will re-engage with our events in a safe and inclusive manner supported by digital technologies, allowing agile response to any future economic, pandemic, or other restrictions.
- We are so grateful to our supporters who decide to leave St Catherine's a legacy in their Will and we will reignite our focus to support those who wish to give in this way.



OUR FUNDRAISING EVENTS ARE BACK!

After coronavirus caused us to cancel all our well-loved fundraising events to keep our community safe, we're thrilled that our fundraising events have now returned and that we can engage with loyal supporters at our St Catherine's events again.

Triumphant trekkers return from Sahara

45 amazing supporters returned from a four day trek across the Sahara in May. After a couple of delays due to coronavirus, it was fantastic to hear of our trekkers' adventures journeying across ancient dried up river beds, vast sun-baked plains and enjoying spectacular desert sunsets before sleeping under the stars each evening.

The efforts of our trekkers will have a huge impact on local families living with terminal illness across our community. The group have raised **£180,000** towards hospice care now and in the future.

"The Sahara trek was an absolutely incredible experience. It was a great group of wonderful people and I made lots of memories to cherish."
Paul Talmey, trekker

"St Catherine's is very close to my heart as they looked after a close family friend, so I didn't have to think twice about taking on the Sahara trek."

The trek was an experience never to be forgotten - challenging at times in 35 degrees heat and there was even a sand storm thrown in! As we trekked over sand dunes the views were amazing, and meeting locals in the villages that popped out between the sand dunes was a humbling experience. Sleeping under the stars at night was amazing as the skies, with shooting stars, were breath taking."

Brian Jones, trekker

Midnight Walk

Our popular Midnight Walk returns on Saturday 3 September 2022 for the first time since 2019! The fun walk which has 20, 13, 7 or 2 mile options gives people in our community the chance to take a starlight stroll cheered on by volunteers. It also gives bereaved people a special opportunity to walk in memory of someone they love. On route they can light a candle in honour of their loved one and before they walk, they can add a personal dedication to our online Memory Wall.

London Marathon

We're excited to have 50 London Marathon places in this year's iconic London Marathon on Saturday 2 October 2022. We can't wait to cheer on our amazing #TeamSTCH runners!



RETAIL INCOME

Our Successes In The Year:

- We have built back our retail income following the closures demanded by pandemic restrictions.
- We have evaluated our retail portfolio and developed a strategy to individually optimise our offering in each community we serve.

Our Future Priorities:

- We have evaluated the lessons learned over the past two years and will expertly develop our retail strategy to optimise our income and our connection with our communities. This will be supported by digital shopping experiences, allowing agile response to any future economic, pandemic, or other restrictions.
- Having acquired a new retail premises in Horsham we are excited to test our retail strategy in what will be our flagship store opening in late 2022.
- We will connect with our care and fundraising colleagues to agree our links through retail and courageously develop our retail model to support these functions.

Our Measurement and Impact:

- We are registered and regulated by the Fundraising Regulator and Gambling Commission and fundraise in accordance with the Charities Act.
- We received and managed 12 complaints in the year about our fundraising activity against 1 complaint in the prior year (2020/21).
- We raised **£6.8m** of voluntary income in the year.
- **£3m** of voluntary income raised supported our statutory income in the delivery of exceptional care.
- For every £1 spent on fundraising activities we raised **£3.90**.
- Our loyal community fundraisers raised **£321k**, despite social distancing restrictions.
- **31%** of income in our shops attracted gift aid raising an additional £88k.
- As we refreshed our retail offering our drivers have collected **3,500** items of furniture, generating in excess of £100k.



CATERHAM CHARITY SHOP

Case study

Emma is our Caterham Shop Manager taking donations, speaking with customers and representing our hospice in the Caterham area. Joined by, Rita, one of our Caterham Shop volunteers Emma shares more about her experience and why the shop is so important.

“In our Caterham Shop every day is different. We’re very lucky that we get a lot of donations, so typically most days will be spent taking in and sorting donations, signing people up to Gift Aid and helping customers. I also spend a lot of time looking donations up on the computer to make sure I’m getting the right price for things. We’re quite good at selling vinyl and we sell a lot of cameras – we’ll often get people come in because they know that we sell those specific items.

We spend a lot of time speaking to people, listening to their stories and being there for them too. Sometimes you’ll get emotional yourself because you really feel for people and what they’ve been through. A lot of our regular donors donate because they’ve lost a loved one under the hospice’s care, and a few of our volunteers, like Rita, volunteer here because the hospice has cared for someone close.”

Rita’s husband was referred to our hospice in 2014 after being diagnosed with cancer of the oesophagus.

“He was in the hospice three times to get his pain under control, and then the hospice organised for him to be home. They organised the hospital bed, the hoist - everything.

When the hospice was first mentioned, we both thought ‘eugh’, but once he was in, that was it. We were sold. Each time he was cared for, he was cared for like he was at home. It could be two o’clock in the morning and they’d bring him ice cream if he wanted it. I could sleep beside the bed and the nurse would bring me tea and toast in the morning. It was just amazing.

I rattled around for a bit after my husband died, I wasn’t coping at all. I then had bereavement counselling with the hospice, which was amazing, it really helped.



Pictured left to right, Rita and Emma

I’ve been volunteering in the Caterham Shop for six years.

I do it twice a week, and it’s my reason to get out of bed. When you’re losing someone close to you, it takes up a massive part of your life. When my husband was ill, I was up and down the M23 everyday to the hospice, coming home late – I had nothing else in my life. When that stopped it was like a chasm. I’m retired so I remember thinking, ‘what am I going to do?’

I know my husband wouldn’t have wanted me to give up and go under. So, for me this is what happened. Volunteering’s filled a huge gap in my life.”

Emma’s favourite thing about working for the hospice is knowing that her whole team are making a difference.

“I’m really passionate about my job and what I do – I try to raise as much money as I can for the hospice. It’s tiring at times, and it can be stressful, but you know that what you’re doing everyday is making a difference. This is the best job I’ve ever had.”

PRIORITY 3

OUR PEOPLE:

To maximise professional and personal achievement of our people through focussed and recognised contribution which thrives in a value-led culture, where diversity, respect, initiative, openness and creativity and growth are embraced.

Our Successes In The Year:

- We have listened to the feedback from our employees and continue to review our structures to provide the right development opportunities for our employees. We have also developed our rewards package to include changes to annual leave, maternity pay and life assurance.
- We have developed our wellbeing offering to all our employees, including increasing the number of Mental Health First Aiders we have recognising the impact the pandemic has had on our people.
- We are safely welcoming our volunteers back to support our activities and have seen many new faces as well.

- Our pandemic volunteer screening assistants and telephone buddies won Crawley Community Awards.

Our Future Priorities:

- We have introduced an Equality, Diversity and Inclusion Group to further our ambition to reflect the community we serve, and recognise that an inclusive culture attracts, develops and retains talent.
- We have reviewed our recruitment practices to attract more people, with the right skills to deliver our organisational plans with succession planning and progression at the core.
- We will ensure all employees and volunteers receive regular reviews, an opportunity for them to grow, share their ideas and explore opportunities for development.
- We will continue to develop our wellbeing offer ensuring we stay connected, ensuring our employees and volunteers, wellbeing and safety is at the forefront of what we do, and providing a safe, inclusive culture.



OUR PEOPLE

Hear from some of our employees



“Being part of such a strong, supportive team has been one of the best things about joining the hospice. When my Dad was here the employees were so supportive in all aspects of his care. It’s that same ethos being a employees member. The same support is there from colleagues as it is when you’re a relative of someone being cared for. That’s been really nice.”

Zoe (right), Patient and Family Co-ordinator

“I’m pleased to work for a company that care for and value their employees. It’s also great to know the job opportunities that could be on offer to me.”

Sammy (left), Patient and Family Co-ordinator



“I feel so lucky to be in a role where I look forward to going to work. I don’t ever wake up and think ‘oh I have to work today’, I genuinely can’t wait!”

Jane, Housekeeping Lead



“From day one everyone has been really friendly and I’ve been given such a warm welcome. When I went to reception on my first day everyone I passed took the time to say hello and people waved at me in my first week out in the car park. That sort of thing makes such a difference.”

Wendy, Volunteering Co-ordinator

OUR PEOPLE

Hear from some of our employees



"I've been lucky to have found a career I love. I'll be brutally honest now - at the moment we're seriously stretched. Like everyone else we have staffing pressures and an increased caseload. Not enough hours in a shift, lots of miles to cover and not enough minutes in an hour! It's challenging. It's expensive and of course we're a charity but when you work with the most professional, resilient and kind-hearted, sincere people you're likely to find anywhere, you just keep on pushing through. That's why after 15 years I still work at St Catherine's. It's a fulfilling job and what I do truly matters."

Caroline, Clinical Nurse Specialist, Community



"I've worked here for 22 years as a Senior Staff Nurse on night shifts. It's a fabulous team who work well together. I've always enjoyed my job and feel nicely supported."

Sue, Senior Staff Nurse, Ward



"I love working at St Catherine's - the hospice is an amazing place to work. Everyone does this job because they love it. They want to give great service to people dying, and they really believe in our service. I've never worked with such a close knit, compassionate group of people who genuinely care about the people we look after and each other."

Natalie, Senior Staff Nurse, Community

Our Measurement and impact

Employee and Volunteer Surveys:

- Our employees survey was paused during the height of the pandemic as we focused on the safety of our employees and volunteers and patient care.
- We have launched our employees survey for 2022 and are awaiting the results. 80% of employees have completed the survey this year.

EDI – Equality, Diversity and Inclusion:

- We set up an EDI employee focus group, volunteers stepped forward to work to develop our approach to EDI, with seven key statements in place which will monitor our progress.
- We provided Unconscious Bias Training for our Trustees and Managers. We anonymised our applications for Trustee recruitment which provided excellent candidates, increasing the diversity of our Board.
- Our employees welcomed hybrid working arrangements, where appropriate, allowing people to work more flexibly and efficiently.
- Our anonymous tool, Work in Confidence allows employees the freedom to speak up and has supported a number of issues and feedback which has allowed us to improve what we do.
- We actively recognise multi-faith celebrations and have celebrated Diwali, Christmas, Easter, Ramadan and Eid.

- Two employees courageously stepped forward to share their positive experiences of working with hidden disabilities and mental health issues.

Other:

- **76%** of employees completed our performance and development review process in the year.
- **95%** of employees completed their mandatory training in the year.
- Employee turnover is **29%** and absence rate, including work related stress absence, is **5.9%**.
- **74%** of leavers completed an exit interview which is regularly reviewed and acted upon.

Our Volunteers

- We received over **363** enquiries to volunteer and managed to recruit **142** new volunteer starters.
- Two of the volunteer roles we introduced in response to the pandemic won Crawley Community Awards:
 - Volunteer Screening Assistants – Volunteer Group
 - Volunteer Telephone Buddies – Community Champions
- We celebrated **126** volunteers who have provided us with between 5 and 35 years of support, totalling **675** years of volunteering between them.



PRIORITY 4

OUR RESOURCES:

To optimise value and effective use of charitable funds through effective and efficient use of all company resources.

Our Successes In The Year:

- We have reviewed our retail property portfolio to provide future propositions to enhance performance and safe operations as well as seizing opportunities for diversification.
- We have expertly developed an IT Strategy in response to pandemic pressures and remote working requirements as well as supporting future aspirations and collaborative opportunities.

Our Future Priorities:

- We recognise that clear signposting and informative literature will help support people referred to us and those close to them further. We will continue to enhance our support embracing digital opportunities.
- We will review and maintain our property and fleet to optimise our assets and minimise dilapidation risk.

Our Measurement and Impact

- We have used our website to support patients and sign post as well as supporting our fundraising efforts and information sharing.
- Effective hybrid working arrangements have been supported by our IT infrastructure with **98%** uptime achieved.
- SystmOne, our new patient system, has been implemented supporting efficiencies in patient care and integration of care records with our NHS partners.
- We are accredited with the Hospice Quality Partnership, developing contractual partnerships with the organisation's supplier partners.



PRIORITY 5

OUR FUTURE SUSTAINABILITY:

We have a forward thinking approach with a strategically aligned business plan developed through our senior managers and executive team, linked to our financial forecast and quarterly directorate objectives, with regular review, to ensure the future sustainability of the organisation.

Our Successes In The Year:

- We have engaged with our statutory partners in both Surrey and Sussex to explore partnership and integration opportunities focusing on patient centric care.
- We have connected with Surrey and Sussex Hospices in support of collaboration opportunities to provide greater efficiencies and learning.
- Our recent organisational restructures have provided a bedrock for future organisational development as we begin to realise our strategic direction.
- We commenced the build of our new hospice in February 2022, having re-engaged our Capital Appeal in support of this.



OUR FUTURE PRIORITIES

Statutory Integration and Hospice Collaboration:

- We will continue to work closely with our NHS partners to integrate and tailor our services to individualised patient care.
- We will continue to collaborate across our local hospices to provide efficiencies and profile with our NHS engagement.
- We will continue to promote better identification of people who are in the last year of life, to encourage honest conversations about death and dying as well as advanced care planning.

Our New Hospice Delivery:

- We will complete the build of the new hospice in the latter months of 2023 and will have raised the funds required to complete our new hospice and provide state of the art facilities to deliver our services.
- We will develop our transition plan from our current site to Pease Pottage, engaging with our employees, volunteers, supporters and local communities to ensure we do not forget our roots and the good herein.

IT and Digital:

- We will continue to explore opportunities for digital transformation to improve efficiency and performance.

Organisational Design, Financial Forecasts and Risk:

- We will continue to develop our organisational design as our new structures are embedded and as we realise our future ambition and strategic direction.
- We will provide assurance of our future sustainability through our forecasting processes which bring together our expertise across the organisation and robust evaluation of associated risks and opportunities.



OUR NEW HOSPICE BUILDING AND CAPITAL APPEAL

Our new hospice at Pease Pottage

Our new hospice at Pease Pottage will allow us to provide even more care to even more people in our community at our hospice and in their own homes across Sussex and Surrey.

“We’re really excited about our move to Pease Pottage and the opportunities it will provide. The feedback from people we care for supports the excellent care our teams provide in our current hospice; despite the challenges our environment gives us. Our brand-new, purpose-built hospice will allow us to enhance the care we provide. This will help us to ensure we can deliver personalised care for each patient, meeting their needs and considering their loved ones needs too. We will be able to support more people before and after death as we will have the state-of-the-art facilities that we have carefully designed to increase the services we can offer to those we care for.”

Sam Farr, Deputy Director of Care Services

Capital Appeal

As part of our capital appeal for our new hospice we ran a very successful Charity Extra appeal in May. Over a 36-hour period, various employees, trustees, patients, relatives and supporters, who had pledged to become Champions for us, reached out to their family, friends and colleagues to ask them to consider making a donation towards our new hospice building. Thanks to their incredible support, we were delighted to raise £996k including gift aid.



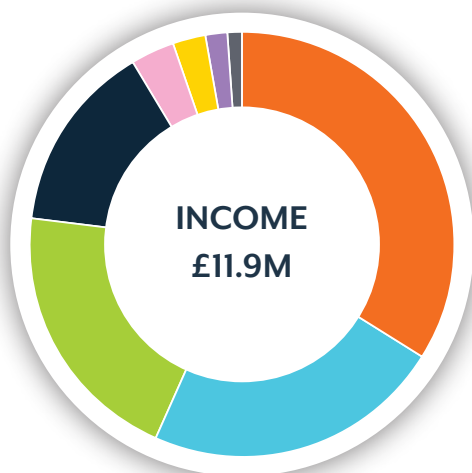
STRATEGIC RISK

As part of our quality framework, we regularly review our operational and strategic risks, understanding that effective risk management is key to the achievement of our strategic and operational objectives. The significant risks currently identified are:

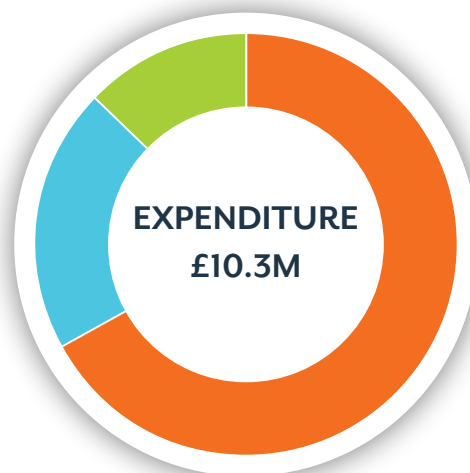
Strategic Risks	Controls and Mitigations
<p>Inability to maintain the care of patients, carers and families</p>	<p>Current pressures as a result of employees shortages in the UK are mitigated through:</p> <ul style="list-style-type: none"> • Multi-disciplinary teams with ability to flex skills mixes in support of patient care. • Working with our statutory partners to secure integration opportunities across our communities. • Pay and reward programmes. • Our focus on progression and succession planning within our structures.
<p>Inability to maintain free reserves to meet our immediate cash requirements.</p>	<ul style="list-style-type: none"> • Current and 5 year forecast in place supported by monthly management accounts and quarterly forecast review by budget holders with Board approval. • Income Generation strategy in place with regular review and forecast update. • Engagement with our statutory partners to secure future sustainability via collaboration and integration opportunities. • Effective monitoring of our New Build programme with risk mitigation through a design and build contract. • Transition planning to our new hospice in progress to optimise our transition and the sale of our current site, minimising risk to cashflow requirements.
<p>Data breaches affecting our communities and our reputation as a result of cyber-attack.</p>	<ul style="list-style-type: none"> • Outsourced support to provide expertise with security and testing of our infrastructure. • Robust access structures across information assets with mandatory training in place focused on using and sharing data. • Information Governance Group, supported by Senior Information Risk Officer (SIRO), Data Protection Officer (DPO) and Caldicott Guardian to monitor and provide assurance of data compliance with legal requirements. • Effective insurance in place.
<p>Inability to gain parity across hospices and with our statutory partners with digital advancement.</p>	<ul style="list-style-type: none"> • Digital Solutions are high on our agenda supported by the trustees with funds allocated in our designated fund to support digital projects over the next 3-5 years. • The launch of SystemOne, our new Electronic Patient Record System in May 2022 supports efficiencies internally but also allows great patient support with links across GPs and NHS partners.

OUR FINANCIAL PERFORMANCE 2021/22

OPERATIONAL INCOME AND EXPENDITURE



- £4.2m Charitable Activities
- £2.6m Donations
- £2.4m Trading Activities
- £1.6m Legacies
- £0.5m NHSE Coronavirus Support
- £0.3m Other Income
- £0.2m Other Coronavirus Support
- £0.1m Investment Income

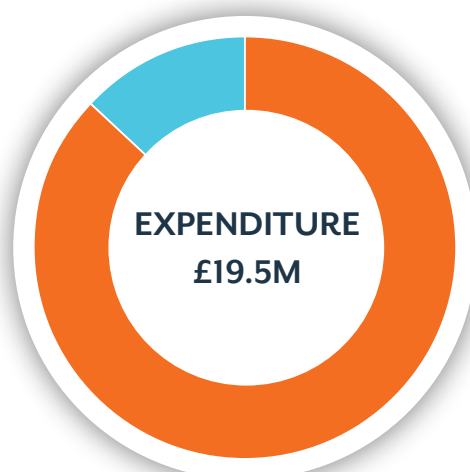


- £6.9m Charitable Activities
- £2.1m Trading Activities
- £1.3m Donations

NEW HOSPICE



- £14.7m Funds Raised
- £2.2m Funds to complete
- £1.8m Sale of Current Site
- £0.8m Funds Pledged



- £2.5m Expenditure to Date
- £17.0m Remaining Expenditure

Operational Performance

In this financial year our Income was £11.9m (£12.2m 2021) with Net Income of £1.7m (£2.0m 2021).

This year we have focused on the build back of income whilst embedding the organisational restructures carried out in the prior year to support our strategic thinking and the easing of pandemic restrictions.

Our donors have been fantastic in their continued support during this year where our fundraising income has been maintained, providing a sound platform for growth expectations in 2022/23 as we begin to re-engage with activities halted by pandemic social distancing measures.

Our retail income has exceeded our expectations in the year meeting pre-pandemic income with our focus on our offering as we return to near normal trading.

We received £0.5m of NHSE (NHS England) income in the year and thank Hospice UK for their support in securing these funds which have been used to support charitable expenditure in the year

In addition, we received £0.2m of additional pandemic support through furlough, retail grants and a business interruption claim during the period where our retail shops were closed during lockdown.



Our Free General Reserves position, which is representative of our free cash, position was £8.1m. This exceeds our reserves policy which has been positioned and approved by our Trustees in line with our 5-year forecast. During this period our new hospice will have completed, increasing operational costs to support our new capacity and strategic objectives whilst recognising that our income growth will reach expected levels at a slower rate with forecast free general reserves expected to build back in years 6-8.

FINANCIAL OUTLOOK 2022/23:

Operational Performance:

The next year will form the bedrock of our planned move to Pease Pottage in late 2023.

Our forecasts for 2022/23 expect some growth in voluntary income as we continue to build back our fundraising and retail income. Our cost base is forecast to increase as we recruit staff to support the increased capacity at Pease Pottage, with net loss of £0.7m.

Free General Reserves are forecast to fall to a level of £7.0m at March 2023.

Our New Hospice:

In November 2021 the Board approved a total build cost of £19.5m on a design and build contract with Barnes Construction which commenced in February 2022.

Our capital appeal raised £2.4m as at 31 March 2022.

The monitoring of our cashflow will be more important than ever as we proceed with the build of our new hospice which is due to complete in Autumn 2023.

Our restricted asks to support the new hospice will continue. Our Charity Extra match funding online appeal was carried out in May 2022 raising £0.9m with an additional £0.7m of restricted giving bringing the total raised to £5.1m as at June 2022, and secured funding of £18.9m against the required £19.5m.

Reserves

St Catherine's reserves policy is to maintain free reserves at a level that is sufficient to protect services from the potential financial impact of known significant risks over the short to medium term. The focus of this policy is aligned to Free General Reserves as these reserves support operational activities.

The Trustees have agreed that in order to set a relevant free general reserves policy level which is in the charities best interests, a risk centered approach is most valid.

The Trustees recognise that as a healthcare organisation, the risk of full closure is low, given that alternative arrangements would be made to carry out on site services together with the learning from the pandemic where we have quickly adapted our working practices to work from home where possible. Our Business Continuity Plan addresses these scenarios. Therefore, the risk centered approach has not focused on this scenario.

The Trustees regularly review the hospice's strategic risk register which forms part of the Governance Framework.

Based on the Q3 2021/22 financial 5-year forecast and likelihood of potential risks / opportunities occurring, the reserves policy requires the organisation to maintain between £2.1m and £4.1m of free general reserves, being general reserves excluding tangible fixed assets. Our current level of free general reserves, at £8.1m, exceeds our reserves policy. This has been positioned, in alignment with our 5-year forecast supporting the build and transition to our new hospice, and approved by our Trustees.

The net movement in reserves in the year is set out in Notes 19 to 22 to the accounts.

Market Value of Land and Buildings

Freehold land in Crawley was donated to the hospice and valued at £60,000 by the Directors in December 1983. All other freehold land and buildings shown in Fixed Assets in the Balance Sheet are included in the financial statements at cost or open market value if lower. In the opinion of the Directors, the open market value of the freehold land and buildings is not less than the amounts shown in the financial statements.

Investments

The overall objective of the charity for its investments, which represent reserves held consistent with its reserves policy, is to provide financial security and stability, recognising that the charity is exposed to a degree of financial risk due to the variable and uncertain nature of its income streams.

The Trustees have agreed that the charity's assets can be invested widely and should be diversified by asset class, by manager and by security. Asset classes could include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities, and any other asset that is deemed suitable.

The charity seeks to produce the best financial return within an acceptable level of risk. The charity has adopted an ethical investment policy to ensure that its investments do not conflict with its aims or can lead to reputational damage. The investment objective for the long-term fund is returns which over a rolling 5 years achieve of CPI +2%.

The Financial Sustainability Committee has responsibility for agreeing the investment strategy, setting benchmarks and monitoring the investment assets on a quarterly basis.

A formal evaluation of each fund managers' performance and consideration of the need to undertake full market testing is undertaken every 3-5 years.

Note 14 gives further information on the Investment position as at 31 March 2022.

The long-term investment portfolio is held with Rathbone Investment Management. Investments with Sarasin and Partners LLP and CCLA have been de-risked and held as short term cash deposits to protect funds required for the New Hospice build, consistent with our Investment Policy.

Going Concern

Having reviewed and formally agreed the forecasts and cashflows prepared in July 2022, together with the Executive's business plan, the Trustees believe, to the best of their knowledge, that the charity remains a going concern for the 12-18 month period from the date of approval of the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The directors are also the Trustees of the charity for the purposes of company law and as such are responsible for the management of the hospital's affairs and its future strategy. The Trustees are required to hold at least four Board meetings a year. There are five committees, chaired by a Trustee which are attended by the appropriate Senior Management Team Member(s), which meet prior to and feed into each Board meeting.

- Financial Sustainability Committee (includes income generation activity)
- Joint People and Development Committee and Board Effectiveness Committee
- Quality Committee
- New Build Project Board
- Remuneration Committee (Chief Executive remuneration only)

Rotation, recruitment and appointment and induction of Trustees

The Trustees consider it essential that the Board is strong, well-balanced and effective comprising members with the requisite professional skills and experience in healthcare or local services to properly represent users of the charity's services. Looking forward, the Board will carefully consider how it increase its diversity and inclusion to better meet the needs of the local population.

Trustees are recruited through local advertising and a robust selection process. Trustees serve for a maximum of two terms of four years each.

An induction programme is provided to all new trustees. They are advised of their responsibilities as directors and Trustees, including their legal obligations under charity and company law and The Charity Commission guidance on public benefit, given copies of the charity's governing documents, and are appraised of the charity's aims and activities, current financial performance and its plans for the future. All Trustees receive an annual performance review and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

The General Meeting was held in person this year, where the Trustees provided an overview of our achievements and future plans, allowing additional challenge to the Trustees and the organisation, on behalf of the community.



Senior Management Team

The Board delegates the day-to-day management of the hospice to the Chief Executive, and the officers of the company:

The charity has set up a clear pay progression arrangement for its senior leaders which reflects arrangements in place for all staff and managers. As the charity strives to make its reward offer as competitive as it can afford, it will continue to consider managers and senior management remuneration. The pay points for the Senior Management Team are now in place having recently been set, using benchmarks for similar sized charities. Pay progression for these senior officers is delegated to the Chief Executive. The Chief Executive's pay also progresses over several pay points and progression is agreed by the charity's Remuneration Committee.

The Senior Management Team meets weekly, rotating meetings to review strategy and business plan delivery, the quality management system across all activities, risk management and operational service performance, including budgetary review and regular reforecasting. The SMT have been trialling the closer engagement of the charity's senior managers recognising the risk that the pandemic might impact the availability of leaders at any time. This pilot has proven very successful and will be consolidated within the charity's Integrated Governance Framework.

Information is cascaded to the Heads of Department and key managers in two monthly interactive update sessions and to staff through appropriate all staff meetings, awards events and departmental team meetings. In the last year all meetings were held virtually. Trustees are invited to attend these meetings periodically to assure themselves of the quality of communication, education and training that is being provided.

Statement of Directors Responsibilities

The hospice's charitable objectives which were set by the Trustees, with due regard to the Charity Commission's guidance on public benefit, are:

- To relieve suffering, provide comfort and improve quality of life for people with progressive life limiting illness.

- To relieve the suffering of people facing or experiencing bereavement by the provision of counselling; and
- To advance research and education in palliative and end of life care.

The Board of Directors is responsible for the approval of the annual accounts, ensuring compliance with the Charities Act 2011, the Companies Act 2006 and the Memorandum and Articles of Association and Accounting and Reporting Statement of Recommended Practice applicable in the UK and republic of Ireland, FRS 102.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's strategic report the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Ensure compliance with the methods and principles in the Memorandum and Articles of Association and Accounting and Reporting Statement of Recommended Practice applicable in the UK and Republic of Ireland, FRS 102 which was effective from 1st January 2019.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the directors are aware:

- There is no relevant audit information of which the company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Details of directors' interests in contracts and related party transactions are given in note 10 to the accounts.

STATEMENT AS TO DISCLOSURE TO THE AUDITORS

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and the Trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Haysmacintyre LLP have been re-appointed as auditor to the company under Section 485 of the Companies Act 2006.

The Report of the Board of Trustees, incorporating the strategic report, was approved by the Board on 13th September 2022 and signed on its behalf by:



Terry O'Leary Chairman



OUR TRUSTEES, SENIOR MANAGEMENT TEAM AND ADVISORS

Our Trustees:

Terence O’Leary

Chairman of the Board & Chair Remuneration Committee

Catherine Blackburn

Chair People and Development Committee to May 2022
Chair Quality Committee from May 2022

Gregory Andrews

Chair Financial Sustainability Committee from June 2020

Alison Livesley

Chair Board Effectiveness Committee
Lead Trustee supporting the New Build Board.
Chair, Andrew Wates

Kate Midgley

Chair People and Development Committee
from May 2022

Nicola Wiltshire

Philip Ingleby

Richard Griffin

Gemma Dawson Resigned February 2022

Lisa Compton Resigned April 2022

Alison Crombie Resigned May 2022

John Abbott Trustee Elect

Yolanda Fernandez Trustee Elect

Diane Riley Trustee Elect

Andrew Wates Vice President

Our Senior Management Team:

Giles Tomsett Chief Executive

Patricia Brayden Medical Director

Paula McGoveney Director of Income Generation and Marketing
Appointed 7 June 2022

Cathy Heard Finance Director

Elly Powis People and Site Services Director

Paul Rycroft New Build Delivery and Collaboration Director

Carol Harris Director of Care Services

Claire Irving Director of Income Generation and Marketing
Resigned February 2022

Our Advisors:

Independent auditors:

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Principal bankers:

Barclays Bank Plc
90-92 High Street
Crawley
West Sussex
RH10 1YX

Solicitors:

DMH Stallard LLP
Gainsborough House
Pegler Way
Crawley
West Sussex
RH11 7FZ

Investment Advisors:

Sarasin & Partners LLP
Juxon House
100 St Paul’s Churchyard
London
EC4M 8BU

Rathbone Brothers plc
1 Curzon Street
London
W1J 5FB

Registered Office:

Malthouse Road
Crawley
West Sussex
RH10 6BH

Company Number:

01525404

Charity Registration Number:

281362

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ST CATHERINE'S HOSPICE LIMITED

Opinion

We have audited the financial statements of St Catherine's Hospice Limited for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Hospice Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 group'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 Chairman's and CEO's Report and in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the Trustees' Report 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' 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 charitable company; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a

true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and consider other factors such as sales tax and payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the improper recognition of revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Reviewing the cut-off of income recognised to consider whether income had been recognised in the correct accounting period; and
- Challenging assumptions and judgements made by management in their critical accounting estimates including those related to the recognition of income including the accrual of legacy income and the valuation of legacy debtors.

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. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Use of our report

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



Steven Harper (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP,
Statutory Auditor
3rd October 2022

10 Queen Street Place
London
EC4R 1AG

Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2022

	Note	Restricted £'000's	Designated £'000's	Unrestricted £'000's	Total Funds 2022 £'000's	Total Funds 2021 £'000's
Income						
Donations & Legacies	2	665	0	3,668	4,333	4,501
Trading Activities	4	0	0	2,391	2,391	1,500
Charitable Activities	5	483	0	4,232	4,715	5,353
Investments	3	0	0	133	133	122
Other Income		1	0	309	310	718
Total Income		1,149	0	10,733	11,882	12,194
Expenditure						
Fundraising & Investment Activities		0	94	1,155	1,249	950
Trading Activities		0	40	2,031	2,071	2,229
Charitable Activities		130	148	6,657	6,935	7,601
Total Expenditure	6	130	282	9,843	10,255	10,780
Net Income / (Expenditure) on Operational Activities	7	1,019	(282)	890	1,627	1,414
Net Gains / (Losses) on Investments	14,15	0	0	115	115	541
Net Income / (Expenditure) for the Year	8	1,019	(282)	1,005	1,742	1,955
Transfer Between Funds	20,21	(383)	(44)	427	0	0
Net Movement in Funds		636	(326)	1,432	1,742	1,955
Funds B/F as at 1st April		4,161	12,610	8,504	25,275	23,320
Funds Carried Forward as at 31st March		4,797	12,284	9,936	27,017	25,275

All gains and losses arising in the current and previous year have been recognised in the Statement of Financial Activities and arise from continuing activities.

The prior year comparators for each fund included above are included in notes 27 to 31

The notes on pages 36 to 56 form part of these financial statements.

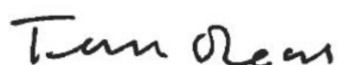
Balance Sheets as at 31 March 2022

Company Registration No. 01525404

	Notes	Group		Hospice	
		31 March 2022 £'000	31 March 2021 £'000	31 March 2022 £'000	31 March 2021 £'000
Fixed Assets					
Tangible Assets	13	2,668	2,751	2,668	2,751
Construction in Progress - Pease Pottage	13	2,530	1,235	2,530	1,235
Investments	14	13,329	13,065	13,379	13,115
		<u>18,527</u>	<u>17,051</u>	<u>18,577</u>	<u>17,101</u>
Current Assets					
Investments	15	3,768	3,765	3,768	3,765
Stock	16	3	4	0	0
Debtors	17	1,810	1,270	1,839	1,288
Cash at Bank		3,842	3,706	3,762	3,645
		<u>9,423</u>	<u>8,745</u>	<u>9,369</u>	<u>8,698</u>
Current Liabilities					
Creditors: amounts falling due within one year	18	902	385	902	379
Net Current Assets		<u>8,521</u>	<u>8,360</u>	<u>8,467</u>	<u>8,319</u>
Total Assets less Current Liabilities					
		<u>27,048</u>	<u>25,411</u>	<u>27,044</u>	<u>25,420</u>
Creditors: amounts falling due greater one year					
	11	31	136	31	136
Total Net Assets		<u>27,017</u>	<u>25,275</u>	<u>27,013</u>	<u>25,284</u>
The Funds of the Charity					
Restricted Funds	20	4,797	4,161	4,797	4,161
Designated Funds	21	12,284	12,610	12,284	12,610
Unrestricted Funds	21	9,936	8,504	9,932	8,513
Total Funds	22	<u>27,017</u>	<u>25,275</u>	<u>27,013</u>	<u>25,284</u>

The unconsolidated net income of the Hospice in 2021/22 was £1,729,000 (2020/21 £1,947,000).

The Financial Statements on pages 33 to 35 were approved by the Board of Directors and authorised for issue on 13th September 2022 and are signed on its behalf by:



Terry O'Leary
Chairman

The notes on pages 36 to 56 form part of these financial statements.

Consolidated Cash Flow Statement as at 31 March 2022

		31 March 2022 £'000	31 March 2021 £'000
	Notes		
Cashflows from Operating Activities			
Net Cash provided by / (used in) Operating Activities	25a	1,506	4,512
Cashflows from Investing Activities			
Gains / (Losses) on Investments		12	91
Purchase of Property, Plant & Equipment		(84)	(98)
New Build Construction in Progress		(1,295)	(428)
Proceeds from Sale of Assets		0	1
Net Cash provided by / (used in) Investing Activities		(1,367)	(434)
Change in Cash & Equivalents in the Reporting Period		139	4,078
Cash & Equivalents at the beginning of the Reporting Period		7,471	3,393
Cash & Equivalents at the end of the Reporting Period	25b	7,610	7,471

The notes on pages 36 to 56 form part of these financial statements.

Accounting Policies

Principal Accounting Policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The hospice meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy notes.

Legal Status of the Charity

The charity is a company limited by guarantee, registered in England and Wales, and has no share capital. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member.

Going Concern

Having reviewed the 5 year financial forecasts, cashflows and strategic risk register, the Trustees consider that there are no material uncertainties about St Catherine's Hospice Limited's ability to continue as a going concern for the foreseeable future. Free reserves stand within the charity's reserves policy requirements which has been agreed on a risk-based profile. Medium-term forecast projections indicate that the charity's free reserves remain within its policy's acceptable limits.

Material Areas of Judgement

The most significant area of judgement and key assumptions that affects items in the financial statements is the estimation of income from Legacies. The estimated value of each outstanding legacy at 31 March is calculated in accordance with the principles set out in the Donation, Grants and Other Income section below. Another significant area of assumption is in respect of depreciation of Fixed Assets. The rates of write down are shown in the Tangible Fixed Assets section below. The Trustees are satisfied that these write down rates are a reasonable reflection of the expected useful life of the assets in each class

Group Financial Statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiary St Catherine's Hospice Trading (Sussex) Limited on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Fund 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 where the donor has specified they should only be used for particular areas of the hospice's work. The aim and use of each designated and restricted fund is set out in the notes to the financial statements. Investment income, gains and losses are allocated to the appropriate fund.

Donated Assets

Tangible assets donated to the hospice are recorded at the original estimate of their value to the company.

A donation of land was received in 2019/20 and accounted for in accordance with this policy ensuring the valuation was a fair value, carried out by external professional valuers, as defined within FRS102 being the "amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

Tangible Fixed Assets

Fixed assets other than donated assets are stated at historical cost. All assets costing more than £2,000 are capitalised.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write down each asset to its estimated residual value evenly over its expected useful life, as follows:-

Accounting Policies

Freehold buildings	2% per annum on cost
Extensions and refurbishments	10% per annum on cost
Equipment (excluding leasehold improvements)	25% or 17% per annum on cost
Leasehold improvements	calculated on remaining length of lease
Computer Equipment	25% per annum on cost
Motor vehicles	25% per annum on cost

Construction in Progress (CIP)

The cost of all projects for the construction of buildings that are in progress at a particular point in time are reported as CIP on the balance sheet until such time as the project is complete and brought into use. On completion of the project the full cost of the asset is capitalised and treatment follows that of the Tangible Fixed Asset policy.

Taxation

The company is considered to pass the tests set out in the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation on income or capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

Operating Leases

Rental costs under operating leases are charged to the general fund operating account in equal annual amounts in accordance with the terms of the lease. Any benefits received or receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period of the lease.

Pension Contributions

The charity operates a defined contribution pension scheme, the assets of which are held separately from those of the charity in independently administered funds chosen by individual staff. Some staff participate in the NHS defined benefit pension scheme. Any resulting liabilities on this scheme would be met by the State. Therefore, contributions payable for the year in relation to either scheme are charged in the Statement of Financial Activities.

The company also participates in a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The charity is also making additional payments into the fund in order to eliminate the deficit. These payments commenced in April 2013 and are currently scheduled to continue until January 2025. To recognise the future liability and in accordance with FRS 102 the Trustees have agreed to make a provision for the present value of the outstanding deficit contributions.

Further details including the current buy-out debt amount and value of the provision are given in Note 11.

Donations Grants and Other Income

Income is recognised in the Statement of Financial Activities when the charity is entitled to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income has related expenditure (as with fundraising or contract income) the income and related expenditure are reported gross in the Statement of Financial Activities.

- In the event that a donation or grant is subject to fulfilling performance conditions before the charity is entitled to the funds the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income accrued in debtors.

Accounting Policies

- Income from NHS contracts, government or other grants, whether capital or revenue in nature are recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.
- Income, including sponsorship received in advance for a future fundraising event or for a grant received relating to the following year is deferred until the criteria for income recognition is met.
- Items donated for resale through the retail shops are included in the accounts when the items are sold.
- Investment income is included when receivable and the amount can be measured reliably, usually when the notification of interest payable is received from the bank. Dividends are recognised once the dividend has been declared and notification has been received of the amount due.
- Income from legacies is determined on a case by case basis in accordance with the following principles. Pecuniary legacies are recognised once probate has been granted and notification has been received that payment will be received. Residuary legacies are recognised once probate has been granted, provided that sufficient information has been received to enable valuation of the hospice's entitlement with sufficient certainty; amounts receivable are included at 90% of their valuation, to reflect the sector's experience of the uncertainty inherent in the administration of estates, subject to further reduction to reflect the impact of other factors such as the valuation of unrealised estate assets or subsequent adverse movements in property and investment markets. 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.
- All subscriptions for the lottery draws are deferred, with income drawn down each week. All other income received in one period but relating to future periods is shown as deferred income under creditors.

Donated Goods and Services

Donations of goods and services, including seconded NHS doctors, are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from its use is probable and the economic benefit can be reliably measured. These items are included in income at the estimated value of the gift to the charity when received based on the amount the charity would have been prepared to pay had it been required to purchase them.

Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements. Further details of their contribution are provided in note 12.

Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis once there is a legal obligation to make a payment, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is categorised under the following headings:

Costs of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies; investment management fees; costs of fundraising activities including the costs of goods sold, shop costs, commercial trading and their associated support costs. Fundraising costs do not include the costs of disseminating information in support of the hospice's charitable activities.

Expenditure on charitable activities includes the costs of providing specialist palliative care and support to patients, their families and the wider community; research and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the hospice and include governance cost, finance and office costs. Governance costs are those costs incurred in connection with complying with constitutional and statutory requirements of the charity. Where practicable irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are allocated to each of the activities on a variety of bases, principally headcount, floor area or time spent on activities depending on the nature of the support costs, to best allocate the costs to each attributable heading. More details on the analysis and basis of allocation is given in note 6.

Financial Instruments

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

Accounting Policies

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price, except for the shares in the trading subsidiary which are carried at cost. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired during the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The charity does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity and bond markets due to wider economic conditions, the attitudes of investors to investment risk and changes in sentiment concerning equities and other instruments within particular sectors.

Stock

Stock of goods for resale is valued at the lower of cost and net realisable value. Stock donated for resale are not included in the financial statements until they are sold because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place to record these until they are sold and undertaking a stock take would incur undue cost and income loss for the charity which would far outweigh the benefits.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid deposits with a short maturity of 95 days or less from the date of acquisition or opening of the account.

Creditors

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

Supporting Notes to Financial Statements

1 Income

Income derives from the group's principal activities carried on wholly in the United Kingdom.

2 Income from Fundraising Activities

	Restricted £'000's	Designated £'000's	Unrestricted £'000's	2022 £'000's	2021 £'000's
Donations	3	0	1,957	1,960	2,393
Legacies	0	0	1,573	1,573	1,785
Other Grants	84	0	138	222	162
Donations in Kind	0	0	0	0	0
Capital Appeal - Pease Pottage	578	0	0	578	161
	665	0	3,668	4,333	4,501

3 Income from Investments

	2022 £'000	2021 £'000
Listed Investment Income	132	121
Interest Received	1	1
	133	122

4 Income from Trading Activities

	2022 £'000's	2021 £'000's
Retail	1,330	521
Lottery	886	825
Fundraising Events	175	154
	2,391	1,500

5 Income from Charitable Activities

	Restricted £'000's	Unrestricted £'000's	2022 £'000	2021 £'000
NHS Block Contract / Grant	0	3,183	3,183	2605
NHS Contribution to Drug Costs	0	116	116	105
NHS Contribution to Lymphoedema Service	0	29	29	64
NHS Community Support Pilot	0	319	319	320
Income for Inpatient Beds from Continuing Healthcare (CHC)	0	58	58	43
Research Grant	0	44	44	58
Other Service Contracts	0	393	393	420
COVID 19 Hospice UK (HUK) Support	446	0	446	1582
COVID 19 Clinical Commissioning Group (CCG) Support	37	62	99	144
Education Income	0	28	28	12
	483	4,232	4,715	5,353

Statutory income from Surrey Heartlands CCG included an expedited receipt of £600k in support of additional staffing and agency costs during the height of Omicron which will be offset against the 2022/23 contractual agreement.

Supporting Notes to Financial Statements

6 a) Expenditure

	Direct Costs £000's	Support Costs £000's	Depreciation £000's	Total 2022 £000's	Total 2021 £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	875	248	21	1,144	900
Capital Appeal - Pease Pottage	71	0	0	71	19
Investment Management	34	0	0	34	31
	980	248	21	1,249	950
Trading Activities					
Retail Shops	1,196	384	23	1,603	1,591
Lottery Costs	191	89	2	282	153
Fundraising Events	9	173	4	186	485
	1,396	646	29	2,071	2,229
Charitable Activities					
Inpatient Services	2,685	881	49	3,615	3,971
Community Services	2,270	463	44	2,777	2,510
Wellbeing Services	19	268	21	308	885
Education	172	59	4	235	235
	5,146	1,671	118	6,935	7,601
	7,522	2,565	168	10,255	10,780

b) Analysis of Support Costs in a) above

	Facilities & Hospitality £000's	Support Services £000's	Corporate Comms £000's	Governance £000's	Support Costs Total £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	57	131	50	10	248
	57	131	50	10	248
Trading Activities					
Retail Shops	93	254	17	19	383
Lottery Costs	57	9	21	1	88
Fundraising Events	57	66	44	5	172
	207	329	82	25	643
Charitable Activities					
Inpatient Services	258	566	17	42	883
Community Services	72	348	17	26	463
Wellbeing Services	101	140	17	10	268
Education	22	28	8	2	60
	453	1,082	59	80	1,674
	717	1,542	191	115	2,565

7 Trading Operations

The wholly owned trading subsidiary, St Catherine's Hospice Trading (Sussex) Limited, UK company registration number 02822993, pays all its eligible profits to the charity under Gift Aid. The company manages the sale of purchased goods through the hospice retail shops..

Supporting Notes to Financial Statements

The charity owns the entire issued share capital of 50,000 shares of £1 each. A summary of the trading results is shown below.

	2022 £'000	2021 £'000
Turnover	68	55
Cost of Sales	28	12
Gross Profit	40	43
Other Operating Expenses (net)	27	35
Profit on Ordinary Activities	13	8
Donations under Gift Aid	0	0
Corporation Tax		
Profit Retained in the Subsidiary	13	8

8 Net Income / Expenditure

	2022 £'000	2021 £'000
Net Income / (Expenditure) is stated after charging:		
Tangible Fixed Asset Depreciation and amounts Written Off in the Period		
Owned Assets	167	210
Operating Lease Rentals - Equipment	23	19
Operating Lease Rentals - Shops & Office	358	385
Auditors Remuneration - Audit	15	15
Auditors Remuneration – Tax Business	2	7

9 Employees

	2022 FTE's	2021 FTE's
Average Weekly FTE's		
Fundraising	20	22
Retail	24	27
Inpatient Services	48	60
Community Services	42	37
Wellbeing Services	0	15
Education	3	3
Support Services	46	49
	183	213

The hospice employs a significant number of staff on a part-time basis. The average of number of paid staff in the charity and group in 2021/22 was 237 (2020/21: 264).

Supporting Notes to Financial Statements

	2022	2021
	£'000	£'000
Staff Costs		
Salaries	6,721	7,363
Social Security Costs	623	673
Other Pension Costs	511	622
	7,855	8,658

The hospice made ex gratia payments to staff in 2021/22 of £NIL (2020/21 £57,000). Pension costs for both years are shown net of NHS funding of £72,000. No emolument was paid during the year to any of the Directors (2020/21: £Nil) and no Director was reimbursed for expenses (2020/21: £Nil). Included in the staff costs above is £282,000 (2012/21 £285,000) in respect of seconded NHS doctors paid from NHS funds.

Having been unable to provide a cost-of-living increase in the last two years, a one-off payment was made to staff in March 2022 in recognition of this, totalling £233,950 with a pay award of 3% in April 2022.

The number of employees who received emoluments in the following ranges was:

	31 March 2022	31 March 2021
	£'000	£'000
£60,001 - £70,000	3	3
£70,001 - £80,000	3	3
£80,001 - £90,000	0	1
£90,001 - £100,000	1	0
£100,001 - £110,000	1	1
£110,001 - £120,000	2	2
	10	10

All of the above higher paid employees are accruing retirement benefits under schemes treated as defined contribution schemes. The company made pension contributions of £105,000 on behalf of these staff in 2021/22 (2020/21 £100,000).

The hospice considers that the key management personnel comprise the senior management team – who are the Chief Executive and 6 other key Directors and Heads of Service. The total employee benefits of the key management staff were £613,000 (2020/21 £661,000).

10 Related Party Transactions

During the year no Trustees received any remuneration or benefits in kind (2020/21 £Nil). Moreover, no Trustees received any reimbursement of travel expenses (2020/21 £Nil). Donations from Trustees to the charity amounted to £41,820 in 2021/22 (2020/21 £11,000).

The charity provided services during the year to its wholly owned trading subsidiary, St. Catherine's Hospice Trading (Sussex) Limited. The charge for those services amounted to £23,000 (2020/21 £89,000). No donation was made under gift aid from the trading subsidiary in the year (2020/21 NIL).

There were no other related party transactions in the current year or previous year.

Supporting Notes to Financial Statements

11 Pension Contributions

The charity makes contributions to the National Health Service Pension Scheme for participating employees. The NHS Scheme is a defined benefit scheme. As the scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities, this scheme is accounted for by the charity as a defined contribution scheme. Any resulting liabilities on this scheme would be met by the State. Therefore, contributions payable for the year in relation to the scheme are charged in the Statement of Financial Activities.

The company participates in a pension scheme operated by the Pensions Trust called Growth Plan, with further details in accounting policies on Page 37.

The charity has been notified by The Pensions Trust of the estimated employer payment on withdrawal from the scheme as at 30 September 2017. As of this date the estimated employer payment for the hospice was £513,265. The potential debt is not included in the financial statements.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum payable monthly

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	2022	2021	2020
	£'000	£'000	£'000
Present Value of Provision	31	136	161

Supporting Notes to Financial Statements

Reconciliation of Opening & Closing Provisions	2022	2021
	£'000	£'000
Provision at start of Period	136	161
Unwinding of Discount Factor (Interest Expense)	1	4
Deficit Contribution Paid	(34)	(33)
Remeasurement - Amendment to Contribution Schedule	(72)	4
Prior Year Adjustment		
Provision at End of Period	31	136

Income & Expenditure Impact	2022	2021
	£'000	£'000
Interest Expense	1	4
Amendment to Contribution Schedule	(1)	4
Costs charged to Income & Expenditure Account	0	8

A rate of discount of 2.5% has been assumed in both 2020/21 and 2021/22 representing the Hospice's estimate of the cost of money to the charity.

The hospice also participates in a defined contribution pension scheme operated by the Pensions Trust, the assets of which are held separately from those of the hospice. Employees contribute between 3.2% and 6% of their salary with the charity contributing 150% of the employee contribution

The total pension cost charge of the group represents contributions payable by the charity and amounted to £511,000 (2021: £604,000)..

At the year-end contributions outstanding totalled £0 (2021: £0) and are included in the creditors. The estimated employer pension contributions payable by the company in 2022/23 is £600,000

12 Volunteers

The charity is dependent upon a team of part-time voluntary helpers who assist in all areas of the charity's care. There are three key types of volunteers:

Hospice Volunteers - providing a range of clinical services (e.g. complementary therapy, counselling, patient drivers) and support services (e.g. administration, hospitality, gardeners).

Retail Volunteers - providing sorting and till support to 14 charity shops, our warehouse and e-commerce work.

Community - supporting our fundraising work through Friends groups, running street collections and supporting events (e.g. marshalling, registration, refreshments, game stalls).

This financial year continued to prove a challenging year for volunteering with St Catherine's. With continued restrictions on-site, our volunteers were unable to return to their chosen roles for much of the year and we were limited in our recruitment activities. We used this time and opportunity to look at our services and the support required for our operations across our organisation and have aligned our volunteer recruitment to this.

Supporting Notes to Financial Statements

13 Tangible Fixed Assets

Hospice & Group	Freehold Land & Buildings £'000	Equipment £'000	Motor Vehicles £'000	Construction in Progress £'000	Total £'000
Cost / Valuation at 1st April 2021	5,150	1,111	85	1,235	7,581
Additions	0	84	0	1,295	1,379
Disposals	0	0	0		0
Cost / Valuation at 31st March 2022	5,150	1,195	85	2,530	8,960
Depreciation at 31st March 2021	2,580	980	35	0	3,595
Charged in the Year	82	69	16		167
Disposals			0		0
Depreciation at 31st March 2022	2,662	1,049	51	0	3,762
Net Book Value 31st March 2022	2,488	146	34	2,530	5,198
Net Book Value 31st March 2021	2,570	131	50	1,235	3,986

All the tangible fixed assets of the group are part of the accounts of the main charity.

Freehold land at Malthouse Road was donated to the hospice and valued at £60,000 by the Directors in December 1983.

Freehold land at Pease Pottage was donated to the hospice in December 2018. The Trustees carried out a valuation, supported by a firm of independent advisors, who valued the land at £1,000,000. The basis of value is at a fair value, as defined within the Financial Reporting Standard FRS102, being "the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

All freehold land and buildings are included in the financial statements at lower of cost and open market value. In the opinion of the Directors, the open market value of the freehold land and buildings is not less than the stated value.

14 Fixed Asset Investments

	Listed Investments £'000
Cost / Market Value 1st April 2021	13,065
Movement of Shares to Investments	50
Gains / (Losses) on Disposal	(10)
Unrealised Gains / (Losses)	125
Dividends & Interest	133
Management Fee	(34)
Cost / Market Value 31st March 2022	13,329
Historical Cost 31st March 2022	12,587

Supporting Notes to Financial Statements

Investments held by the charity also include an additional £50,000 (2021 - £50,000) investment in the subsidiary company at cost.

Subsidiary Company

Name	Country of Incorporation	Class of Holding	Proportion Held	Aggregate Capital & Reserves £'000	Result for Year £'000
St Catherine's Hospice Trading (Sussex) Limited	England	Ordinary	100%	50	-

15 Investments held as Current Assets

	£'000
Cost / Market Value 1st April 2021	3,765
Cash held in deposit accounts	3
	0
Cost / Market Value 31st March 2022	3,768
Historical Cost 31st March 2022	3,512

16 Stock

	Group		Hospice	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Stock				
Goods for Resale	3	4	0	0
	<u>3</u>	<u>4</u>	<u>0</u>	<u>0</u>

17 Debtors

	Group		Hospice	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Debtors				
Trade Debtors	100	129	100	129
Accrued Legacy Income	1,155	756	1,155	756
Amounts due from Subsidiary Company	0	0	25	18
Other Prepayments & Accrued Income	542	373	542	373
Other Debtors	13	12	17	12
	<u>1,810</u>	<u>1,270</u>	<u>1,839</u>	<u>1,288</u>

Supporting Notes to Financial Statements

18 Creditors: Amounts falling due within one year

	Group		Hospice	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Creditors				
Trade and Other Creditors	330	101	330	101
Taxation and Social Security Costs	239	146	239	146
Accruals & Deferred Income	147	138	147	132
Other Creditors	186	0	186	0
	<u>902</u>	<u>385</u>	<u>902</u>	<u>379</u>

19 Reserves – Movements by Fund

This schedule presents the final reserves position by fund, together with those designated and restricted funds for the New Hospice shown in total as a memo.

	Restricted Funds	Designated Funds	Unrestricted Funds	Total Funds	New Hospice Funds (memo)
Balance as at 01/04/2021	4,161	12,610	8,504	25,275	15,103
Net Operating Income / (Expenditure)	1,019	(282)	890	1,627	2,448
Net Gains / (Losses) on Investments	0	0	115	115	
Net Inc / (Dec) in Reserves	1,019	(282)	1,005	1,742	2,448
Transfers between Funds	(383)	(44)	427	0	0
Net Inc / (Dec) in Reserves	636	(326)	1,432	1,742	2,448
Balance as at 31/03/2022	4,797	12,284	9,936	27,017	17,551
Less:					
Fixed Assets	1,000		1,668	2,668	1,000
Construction in Progress	2,530	40		2,570	2,530
Available Reserves	1,267	12,244	8,268	21,779	14,021

Notes 20 and 21 provide further detail on fund movements in the year.

Supporting Notes to Financial Statements

20 Restricted Funds: Group & Charity

	Balance 1 April 2021	Income in Year	Expenditure in Year	Transfers In / (Out)	Balance 31 March 2022
Inpatient services	26	2	6	0	22
Community Services	20	75	75	0	20
Wellbeing Services	221	11	44	0	188
Education	28	0	0	0	28
Capital & Equipment	36	0	5	0	31
Total Funds	331	88	130	0	289
COVID-19	0	483	0	(483)	0
Total Including COVID-19 Funds	331	571	130	(483)	289
Donations in Kind	1,000	0	0	0	1,000
New Horizons Donation to New Build	1,000	0	0	100	1,100
Capital Appeal - Pease Pottage	1,830	578	0	0	2,408
Total Funds	4,161	1,149	130	(383)	4,797

The hospice may receive grants or donations whose use is restricted by the donor. In these circumstances, the funds are shown as restricted.

The restricted fund is managed through a governance group with expenditure aligned to donations.

Wellbeing Services

Garden fund - monies raised to re-develop and enhance the hospice garden.

Creative Therapies – funds to support creative activities primarily in the Day Hospice.

Living Well groups – donations provided to support the operation of Living Well activity groups.

Community Services

Horsham Carers Support – funds provided by Horsham Hospital League of Friends to provide support and practical skills training for carers in the Horsham area

Community Nursing – funds donated by the Ernest Kleinwort Charitable Trust, towards the cost of a community nurse.

Education

Funds raised in support of education.

Capital & Equipment

Funds raised in support of capital and equipment.

Other

Funds raised for items not included above.

COVID-19 Government Support

The hospice received £446,000 of support from NHS England (NHSE) in the year. The associated costs have been allocated against these restricted funds via a reserve transfer from general reserves as detailed in the Financial Review.

In addition, £37,000 was received from West Sussex CCG in support of associated costs of SystemOne implementation, our new patient system, enabling improved patient support and revised ways of working the pandemic has informed.

Capital Appeal – Pease Pottage

The generous donation of five acres of land as a gift in kind from Mr Bill Bridges as the site to build a new hospice has been valued as a gift in kind, by the Trustees supported by a firm of independent advisors at £1 million.

Funds donated specifically towards the construction of our new hospice which is due to complete in 2023.

Supporting Notes to Financial Statements

21 Unrestricted Funds

	Balance 1 April 2021	Income in Year	Expenditure in Year	Gain / (Loss) on Investments in Year	Transfers In / (Out)	Balance 31 March 2022
Designated Funds						
New Hospice Fund	11,273	0	40	0		11,233
Strategic Delivery	1,337	0	242	0	(44)	1,051
Total Designated Funds	12,610	0	282	0	(44)	12,284
General Funds	8,504	10,733	9,843	115	427	9,936
Total Unrestricted Funds	21,114	10,733	10,125	115	383	22,220

Unrestricted reserves are available to be used for:

- The day to day running of the hospice.
- The costs of any capital projects in whole or in part where the cost is not met from any other fund; and
- For any other purpose as the Directors see fit to fulfil the objectives of the hospice.

Designated funds have been agreed by the Trustees to support costs in the delivery of its strategic goals.

New Hospice Fund

St. Catherine's has now commenced the construction of a new hospice at Pease Pottage following the generous donation of five acres of land from Mr Bill Bridges and a donation from Mr John Shemeld in excess of £6m, representing monies set aside to finance the future major capital developments that are required to maintain and enhance the services of the hospice. This fund has been supported by the charity's Capital Appeal and its reserves.

Strategic Delivery Fund

The Trustees have agreed to designate funds in support of the delivery of the charity's strategic aims with regular review and monitoring. Current funds to support projects over the next two to three years are detailed below:

	£'000
New Build Transition and Capital Appeal	217
New Ambition Voluntary Income Growth	317
Sussex Collaboration	50
Electronic Patient Record System	95
Digital Transformation Projects	147
IT Infrastructure Investment	172
Quality Improvements	15
HR - Management Development and EDI Agenda	38
	1,051

Supporting Notes to Financial Statements

22 Analysis of Group Net Assets between Funds

	Unrestricted	Restricted	Total Funds 2022	Unrestricted	Restricted	Total Funds 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible Fixed Assets	2,668	0	2,668	1,751	1,000	2,751
Construction in Progress - Pease Pottage	65	2,465	2,530	0	1,235	1,235
Fixed Asset Investments	13,229	100	13,329	12,065	1,000	13,065
Current Asset Investments	3,768	0	3,768	3,765	0	3,765
Other Current Assets	3,423	2,232	5,655	4,054	926	4,980
Current Liabilities	(902)	0	(902)	(385)	0	(385)
Provisions	(31)	0	(31)	(136)	0	(136)
	22,220	4,797	27,017	21,114	4,161	25,275

23 Members of the Hospice

As at 31 March 2022 there were 50 members (2021: 52) of the company who are required to contribute £1 each in the event of the company being wound up.

24 Operating Lease Commitments

At 31 March 2022 the group was committed to make the following payments in respect of operating leases:

	2022	2021
	£'000	£'000
Land & Buildings		
Amounts due within One Year	341	320
Amounts due in Two to Five Years	869	1,008
Amounts due in over Five Years	248	410
Other		
Amounts due within One Year	23	18
Amounts due in Two to Five Years	22	27
	1,503	1,783

Payments under operating leases are recognised as expenditure as they fall due. No provision has been made for future commitments.

Supporting Notes to Financial Statements

25 Cashflows

	2022	2021
	£'000	£'000
a) Net Income / (Expenditure) for the Reporting Period	1,742	1,955
Adjust for:		
Depreciation	167	181
(Gains) / Losses on Sale of Assets	0	(1)
Non Cash Donations (Shares, Land & Property)	50	(49)
(Increase) / Decrease in Investments	(324)	2,797
(Increase) / Decrease in Stocks	(1)	1
(Increase) / Decrease in Debtors	(540)	0
Increase / (Decrease) in Provisions	(105)	(25)
Increase / (Decrease) in Creditors	517	(347)
Net Cash provided by / (used in) Operating Activities	1,506	4,512

b) Analysis of Cash & Cash Equivalents

	2022	2021
	£'000	£'000
Cash in Hand	3,842	3,130
Notice Deposits (less than 3 Months)	3,768	263
Total Cash & Cash Equivalents	7,610	3,393

26 Capital Commitments

The charity has entered into capital commitments £16.7m, with The Barnes Group Limited t/a Barnes Construction the approved contractor, to build its new hospice at Pease Pottage. The full capital commitment of delivering the new hospice is £19.5m, of which £2.5m has been spent as at 31/03/2022.

Supporting Notes to Financial Statements

27 SOFA prior Year Comparatives

	Note	Restricted £'000's	Designated £'000's	Unrestricted £'000's	Total Funds 2021 £'000's	Total Funds 2020 £'000's
Income						
Donations & Legacies	2	279	0	4,222	4,501	4,551
Trading Activities	4	0	0	1,500	1,500	2,944
Charitable Activities	5	1,726	0	3,627	5,353	4,451
Investments	3	0	0	122	122	214
Other Income		34	0	684	718	342
Total Income		2,039	0	10,155	12,194	12,502
Expenditure						
Fundraising & Investment Activities		(1)	28	923	950	2,021
Trading Activities		0	4	2,225	2,229	2,650
Charitable Activities		307	29	7,265	7,601	7,673
Total Expenditure	6	306	61	10,413	10,780	11,906
Net Income / (Expenditure) on Operational Activities	7	1,733	(61)	(258)	1,414	596
Net Gains / (Losses) on Investments	14,15	0	0	541	541	73
Net Income / (Expenditure) for the Year	8	1,733	(61)	283	1,955	669
Transfer Between Funds	20,21	(1,666)	750	916	0	0
Net Movement In Funds		67	689	1,199	1,955	669
Funds B/F as at 1st April		4,094	11,921	7,305	23,320	22,651
Funds Carried Forward as at 31st March		4,161	12,610	8,504	25,275	23,320

Supporting Notes to Financial Statements

28 Note 6 Expenditure – prior year

a. Expenditure

	Direct Costs £000's	Support Costs £000's	Depreciation £000's	Total 2021 £000's	Total 2020 £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	612	265	23	900	1,409
Capital Appeal - Pease Pottage	19	0	0	19	126
Investment Management	31	0	0	31	48
	662	265	23	950	1,583
Trading Activities					
Retail Shops	1,140	426	25	1,591	1,912
Lottery Costs	63	87	3	153	300
Fundraising Events	303	178	4	485	438
	1,506	691	32	2,229	2,650
Charitable Activities					
Inpatient Services	2,940	979	52	3,971	3,411
Community Services	1,941	522	47	2,510	2,770
Wellbeing Services	572	291	22	885	1,116
Education	168	63	5	236	376
	5,620	1,855	126	7,601	7,673
	7,788	2,811	181	10,780	11,906

b. Analysis of Support Costs

	Facilities & Hospitality £000's	Support Services £000's	Corporate Comms £000's	Governance £000's	Support Costs Total £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	58	151	43	13	265
	58	151	43	13	265
Trading Activities					
Retail Shops	93	293	15	25	426
Lottery Costs	57	11	18	1	87
Fundraising Events	58	75	38	7	178
	208	379	71	33	691
Charitable Activities					
Inpatient Services	259	649	15	56	979
Community Services	72	401	14	35	522
Wellbeing Services	101	161	15	14	291
Education	22	32	7	2	63
	454	1,243	51	107	1,855
	721	1,773	164	153	2,811

Supporting Notes to Financial Statements

29 Note 20 Restricted Funds - prior year

	Balance 1 April 2020	Income in Year	Expenditure in Year	Transfers In / (Out)	Balance 31 March 2021
Foundation Fund	7	0	0	(7)	0
Inpatient services	25	3	2	0	26
Community Services	20	40	40	0	20
Wellbeing Services	190	70	39	0	221
Education	28	0	0	0	28
Capital & Equipment	113	0	0	(77)	36
Other	24	39	63	0	0
Total Funds	407	152	144	(84)	331
COVID-19	0	1,726	144	(1,582)	0
Total Including COVID-19 Funds	407	1,878	288	(1,666)	331
Donations in Kind	1,000	0	0	0	1,000
New Horizons Donation to New Build	1,000	0	0	0	1,000
Capital Appeal - Pease Pottage	1,687	161	18	0	1,830
Total Funds	4,094	2,039	306	(1,666)	4,161

30 Note 21 Unrestricted Funds – prior year

	Balance 1 April 2020	Income in Year	Expenditure in Year	Gain / (Loss) on Investments in Year	Transfers In / (Out)	Balance 31 March 2021
Designated Funds						
New Hospice Fund	11,000	0	27	0	300	11,273
Strategic Delivery	921	0	34	0	450	1,337
Total Designated Funds	11,921	0	61	0	750	12,610
General Funds	7,305	10,155	10,413	541	916	8,504
Total Unrestricted Funds	19,226	10,155	10,474	541	1,666	21,114

Supporting Notes to Financial Statements

31 Note 22 Analysis of Group Net Assets between Funds – prior year

	Unrestricted	Restricted	Total Funds 2021	Unrestricted	Restricted	Total Funds 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible Fixed Assets	1,751	1,000	2,751	1,798	1,078	2,876
Construction in Progress - Pease Pottage	0	1,235	1,235	0	807	807
Fixed Asset Investments	12,065	1,000	13,065	14,862	1,000	15,862
Current Asset Investments	3,765	0	3,765	263	0	263
Other Current Assets	4,054	926	4,980	3,188	1,209	4,397
Current Liabilities	(385)	0	(385)	(724)	0	(724)
Provisions	(136)	0	(136)	(161)	0	(161)
	21,114	4,161	25,275	19,226	4,094	23,320

Our special thanks to all who have supported St. Catherine's in 2021-22
Our full audited accounts are available at: www.stch.org.uk

We would like to thank the patients and family members who have kindly allowed us to feature their photographs and words in this report. Where applicable, the relevant social distancing guidelines were observed for all photographs.

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ST CATHERINE'S HOSPICE LIMITED

England & Wales - Charity number 281362

Accounts



**ST CATHERINE'S
HOSPICE**

**REPORT AND ACCOUNTS
2020-2021**

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LEGAL AND ADMINISTRATIVE INFORMATION

Directors and Trustees:

Chairman

Terence O’Leary

Catherine Blackburn

Lisa Compton

Alison Crombie

Alison Livesley

Gregory Andrews

Kate Midgley

Nicola Wiltshire

Gemma Dawson

Philip Ingleby

Richard Griffin

Officers:

Chief Executive

Giles Tomsett

Medical Director

Patricia Brayden

Director of Care Services

Carol Harris

Director of Income Generation and Marketing

Claire Irving

Finance Director

Cathy Heard

People and Site Services Director

Elly Powis

New Build Delivery and Collaboration Director

Paul Rycroft

Registered Office:

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Crawley

West Sussex

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Company Number:

01525404

Charity Registration Number:

281362

Auditor:

Haysmacintyre LLP

Chartered Accountants

and Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

Bankers:

Barclays Bank Plc

90-92 High Street

Crawley

West Sussex

RH10 1YX

Solicitors:

DMH Stallard LLP

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Pegler Way

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EC4M 8BU

Rathbone Brothers plc

1 Curzon Street

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CHAIRMAN'S AND CEO'S REPORT

In an unprecedented year, we have had to adapt and face significant operational and financial challenges head on. It's not surprising that our focus became more operational with strategic imperatives paused. Of primary importance as we review this last year, we would like to pay tribute to the executive leaders and the wider staff for their management of the crisis, maintaining the excellent standards of care we are known for, including implementing a range of critical safety measures that needed to be put in place.

The majority of our patients are in the extremely clinically vulnerable or vulnerable groups and were advised to shield. The services teams adapted quickly to guidance on Infection Prevention and Control (IPC) which included the use of Personal Protective Equipment for all patient encounters as well as regular testing of staff, patients and visitors. The hospice is proud to have been able to put the infection control measures in place to allow visitors throughout the year, albeit with reductions to the number of visitors allowed and limiting the duration of visits. This meant that wherever possible, we enabled family members to be with their loved one as they died. Multi-professional community care continued, with a move to providing as many consultations as possible remotely via telephone or video, limiting visiting to situations where face to face assessment was essential.

Our success is due to our staff and our dedicated volunteers. We recognise that investing in our people is key to maintaining the excellent service provided. The pandemic placed considerable burdens on staff through the decision to furlough many colleagues, the immediate deployment of new ways of working and an absolute focus on safe care through infection prevention and control discipline. Our ability to offer vaccinations to staff, soon after they became available to us, meant we were able to keep our staff safe.

We also note the humbling contribution and ongoing support of our volunteers during this difficult year whose contribution was also disrupted significantly. A number of volunteers actively continued to support the hospice in its service delivery, for example in counselling and visitor screening, even in the face of the limitations on face to face contact that were needed.

Alongside the challenges to service delivery posed by COVID-19, the impact on our ability to sustain and increase our income was significant. During the year, we saw our comparable year on year income drop

by 19.5% arising from the cancellation of most events and the closure of our shops during lockdowns. However, we have been touched by the incredible generosity of our community as our income generation team adapted their approach, focusing on a programme of supporter stewardship and fast tracking planned digital fundraising. We are very grateful to every person who has supported us over the past year, whether as an individual, family, group, Trust or company.

In anticipation of our income and cost challenges, we proactively carried out a full workforce review, providing a solid and efficient organisation structure, supported by multidisciplinary teams in support of our patients, families and friends, as we emerge from the pandemic, rebuilding our income and services in line with our strategic vision. This alongside focused cost containment resulted in a 9.2% saving of expenditure against the prior year.

In support of our financial position, we received emergency government funding support of £2.3m through Hospice UK negotiations, furlough and retail grant schemes. We would like to highlight the exceptional role Hospice UK provided in supporting

all UK hospices with central government funding negotiations. We also appreciate the government's recognition of the support needed by hospices, not only during this financial year, but in support of the build back of our income streams and capacity for the local health and care system.

As stated above our focus on strategic delivery was reprioritised due to the demands of pandemic response. Our plans for the new hospice at Pease Pottage were paused during the year. In January 2021, the Board approved the project to proceed at a revised cost of £16.3m with a modified design to meet the funds available. The Board approved to re-engage the Capital Appeal with a target of £1.5m, supported by external advice. The support of all donors is warmly recognised by the Trustees as we are committed to maximise the invaluable contribution that underpins this project.

With our NHS commissioning arrangements under review with NHS System leaders in both Surrey and Sussex, St Catherine's must now work afresh to build a profile with NHS system leaders in both areas and the importance of hospice collaboration



“Clearly, building back our income streams is key whilst recognising that COVID-19 protection measures will be a part of our care and other activities for the foreseeable future.”

to amplify this voice cannot be overstated. The seven Sussex hospices have been pursuing a collaboration programme since 2018. Although the pandemic brought a pause in the collaborative workstreams that had been agreed at the end of 2019, the seven hospices continued to support one another through mutual aid and knowledge sharing. Work will continue to progress these initiatives and more opportunities will be developed in the year ahead including a new focus on building a similar profile with our Surrey hospices. While each hospice holds fast to its local identity, we recognise the benefit of working together to make the most of our knowledge and resources in benefitting patients and families.

Clearly, building back our income streams is key whilst recognising that COVID-19 protection measures will be a part of our care and other activities for the foreseeable future.

Pivotal to our immediate and long-term future must remain our people plan delivery which has rightly focused on the safety and wellbeing of our staff so they can continue to offer our patients safe and effective care. Going forward we must continue to address our workforce requirements providing an inclusive culture that reflects the communities we serve in tandem with developing our staff and leaders who can help us shape the future.

Terry O’Leary Chairman
Giles Tomsett CEO

TRUSTEES' / DIRECTORS' REPORT

The Trustees are pleased to present their report and the audited financial statements of the company for the year ended 31 March 2021, a year in which hospice activities were severely impacted by the COVID-19 pandemic.

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's strategic report the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

OBJECTIVES AND ACTIVITIES

The hospice is a company limited by guarantee, and is a registered charity governed by its Articles of Association.

The principal activity of the company is that of a hospice, caring for people at the end of their lives and supporting their families, friends and carers across our catchment area of Surrey and Sussex by providing in-patient beds and community outreach services. In addition, there is a wholly owned subsidiary company, St Catherine's Hospice Trading (Sussex) Limited (Company number 2822933), which raises funds for the hospice.

The hospice's charitable objectives which were set by the Trustees, with due regard to the Charity Commission's guidance on public benefit, are:

- To relieve suffering, provide comfort and improve quality of life for people with progressive life limiting illness:
- To relieve the suffering of people facing or experiencing bereavement by the provision of counselling; and
- To advance research and education in palliative and end of life care.

St Catherine's Hospice services are provided equally to all members of its community with no charges levied to patients or their families. The NHS

provide partial funding of the health-related services provided, requiring over 70% of the hospice's expenditure to be met through fundraising and trading activities actively supported by the generosity of the local community and its donors.

Before the COVID-19 pandemic, in St Catherine's catchment area there were approximately 5,600 deaths each year, of which 20-25% could be classed as sudden or not predictable. Approximately 4,000 local people would therefore benefit from palliative care as they approach the end of life. St Catherine's is currently only able to reach one third of these people, a position we strive to improve.

Projections of future palliative care requirements will increase demands on the hospice by patients with increased clinical complexities and the evidence base is awaited as to how COVID-19 will further inform this picture. The increasing need is driven by an aging population and advancing medical care enhancing the life expectancy of patients managing life limiting and terminal illness, who will also live with greater co-morbidities. To support this, the Trustees recognise their responsibility to ensure that the charity maintains its high levels of care whilst

developing its expertise and reach to support its community further. Again, the implications for our service because of the palliative needs of survivors of COVID-19 is a new factor to consider and we will continue to work with NHS leaders and the broader hospice sector to consider this important emerging dynamic.

Our Vision





A world where everyone can face death informed, supported and pain free.

Our Mission

Pioneering standards in expert care and support, for anyone facing death and bereavement.

Our Strategy

Our Strategy 2019 – 2025

OUR VISION	A world where everyone can face death informed, supported and pain free.					
HOW WE WILL ACHIEVE IT	Provide outstanding care and support to more people, underpinned by education and research with a commitment to working in partnership.					
WHAT WE WILL DO TO IMPROVE END OF LIFE CARE	Build on our current level of expertise and develop services to take full advantage of the additional space at our new hospice.	Increase provision to 24 beds and provide for respite and/or step down care.	Align our community service with NHS community provision and work alongside health and social care colleagues to provide end of life care.	Work with others to meet the needs of people with frailty and multiple conditions, particularly those in care homes, as they approach end of life.	Enhance wellbeing services so more people facing end of life can have as good a quality of life as possible for the time they have remaining.	Improve the confidence and resilience of carers to help them provide the best possible care and support them throughout bereavement.
WHAT WILL SUPPORT IT	 Champion and lead end of life care.	 Realise the potential of our people.	 Develop premises fit for serving our community.	 Raise the income to serve our community now and in the future.		
OUR VALUES:	HUMAN EXPERT COURAGEOUS CONNECTED ENERGETIC					

OUR VALUES

The charity has aligned its values to deliver its strategy. These values are embraced within the organisation defining who we are and how we act.

Human

We treat people with understanding, patience, respect and above all dignity. We are the welcoming smile, the talk over a cup of tea, the human touch.

Courageous

We stand firm, we do not flinch in the face of hard news, but always with humanity, sensitivity and respect for our community.

Energetic

Whether we're out running a fun run or at the hospice greeting our patients, we bring the energy and the optimism to make the most of every day.

Connected

We are not an island, we thrive on partnerships and working with others, we believe we're better and stronger together.

Expert

We are looked up to by our community and peers as the organisation to go to for knowledge, training, best practice and latest techniques.

STRATEGIC REPORT

Achievements and Performance

St Catherine's has continued to demonstrate significant impact in its community promoting continuing excellence even in the face of the toughest challenge placed on healthcare organisations in living memory. As a result, our focus was on delivering a safe and effective service, whilst supporting our staff and protecting our income to ensure our future sustainability.



"For me the hospice is like a second home and family. It's a place that gave me hope and made me see the whole world with different eyes. And every patient I've cared for has given me a life lesson." Ela, Staff Nurse

Staff and Volunteers

The pillar to all our success remains our staff and our dedicated volunteers. This year:

- Our staff and volunteers engaged with virus testing, working from home requirements, and changing practices to maintain safety, as a result of COVID-19.
- We supported our staff and volunteers, including those we had furloughed, with a clear focus on communication and support for their wellbeing and safety.
- The majority of staff report a high degree of satisfaction (and pride) in the way the organisation has responded to the pandemic and worked to support the NHS.
- Despite the pandemic, volunteer support was amazing with over 60 individuals starting in a voluntary role with us.
- Our volunteer counsellors, support visitors and telephone buddies worked throughout the pandemic to continue our valued support to locally bereaved families.
- Acknowledging our financial pressures, we engaged in an organisational workforce review to provide a solid and efficient organisation structure, as we re-engage with our strategic priorities.
- Our staff and volunteers enjoyed our virtual awards ceremonies celebrating long service and exceptional contributions.



**APPROXIMATELY 1,300
PEOPLE WERE PROVIDED
WITH END OF LIFE CARE**



**OUR PRACTICAL CARE TEAM
MADE OVER 4,000 PATIENT
VISITS, ENABLING PATIENTS TO
REMAIN AT HOME**



**AN AVERAGE OF 290 CONTACTS
WERE MADE PER DAY BY OUR
CLINICIANS TO PATIENTS AND
/ OR FAMILY MEMBERS IN THE
COMMUNITY BY PHONE, VIDEO
LINK OR FACE TO FACE**

"Being able to visit Anthony brightened my spirits. After not being able to see him in hospital it made such a difference. I always felt safe that I was being looked after, so was Anthony and the other patients, with COVID temperature checks and PPE. That was really reassuring."
Arlene, Relative

Service Delivery

The COVID-19 pandemic presented considerable challenges to provision of services throughout the year.

- We responded quickly to the changing requirements during the year, ensuring inpatient services remained open to admissions (except for a short closure due to an outbreak in December 2020 / January 2021 which was managed effectively with support from Public Health England) enabling family members to be with their loved one as they died.
- In the community, consultations were carried out remotely via telephone or video, limiting visiting to situations where face to face assessment was essential.
- Our telephone advice line remained extremely busy, responding to calls from patients, carers, and health and social care professionals.
- A new volunteer buddy scheme provided regular contact to people who were socially isolated as our Living Well Centres and outpatient activities were paused.
- Medical and nursing community team members worked collaboratively with local primary care networks to provide advice and support to professional colleagues, including care homes and frailty multidisciplinary team meetings.
- Collaborative educational work with other hospices was further developed, particularly through Project ECHO – the development of a facilitated learning network which uses hospice expertise to support care homes across Sussex and East Surrey to improve skills and confidence in end of life care.
- In response to the constraints of the pandemic we have agreed with our local NHS partners to limit our inpatient capacity to around 12 beds with a view to working with the NHS on hospice sustainability for the future.
- Supported by local NHS Commissioners, we ceased our specialist lymphoedema service in January 2021, allowing us to focus on core activities.
- The Horsham Hospital League of Friends recognised our need to pause our shared project to build a stronger focus on carer support with a re-start expected in summer of 2021.



"The Telephone Buddy scheme has made a real difference. I'm classified as extremely vulnerable so I'm not able to go out and I only get the odd conversation with people. Speaking to Graham each week has been a lifeline." Earl, Patient

Investing in New Premises

The SMT and Trustees took the decision to pause the new hospice build programme during 2020 while the charity focused on its financial and operational response to COVID-19.

- In January 2021, having fully reviewed our business case and financial forecasts the Board approved a revised building scheme, retaining 24 beds and outpatient facilities.
- Barnes Construction Limited, our selected partner, supported the development of the revised design process with the close engagement of service facing staff.
- The revised programme budget will be £16.3m.
- A revised capital appeal of an additional £1.5m was launched in support of the revised programme.

Providing Leadership in End of Life Care

The Trustees recognise the importance of being a core and integrated part of the healthcare infrastructure to maximise the care and support given to the community it serves. The charity collaboratively works with existing and emerging new NHS and social care structures across Sussex and Surrey.

- Senior clinicians and executives from the hospice provided leadership and input into various groups and work streams, supporting the COVID-19 response.
- The charity's Medical Director has remained the EOLC Clinical Lead for the East Surrey Integrated Care Provider (ICP) and for the Crawley, Horsham and Mid Sussex area of the West Sussex ICP

- We remained active in a fully commissioned domiciliary care pilot for people approaching end of life across West Sussex.
- We paused all research activity until such time as this activity could responsibly re-start.
- We were delighted to see one of our directors take up the role as Collaboration Programme Director in the Sussex Hospices Chief Executive Group as we re-engaged collaborative efforts following a pause in activity in the earlier part of the year.
- The Chief Executive has maintained a Board role as part of the local Crawley, East Surrey and Horsham (CRESH) NHS 'Place', to ensure the hospice 'voice' is a valued and constructive advocate for people with life limiting disease, palliative and end of life care needs in Sussex and Surrey.



"It's a privilege to be given a window into someone's life. One gentleman I rang was a jazz singer and musician who'd sing to me on the phone. It was magic. Our calls gave him an outlet to express himself and his treasured skill, and it was lovely for me to validate his interests." Hannah, Volunteer

Voluntary Income

Alongside the challenges to service delivery posed by COVID-19, the impact on our ability to sustain and increase our income was significant.

- Our focus on strategic income generation activity was paused during the year as we refocused our efforts to maximise our income.
- Our community has been amazing and has continued to support us through this difficult year.
- We raised £350k through generous emergency appeal donations at the height of the pandemic.
- We had to cancel our events programme for the year as a result of the pandemic and also felt the impact of lockdown on our corporate income.
- We re-focussed our approach on a programme of engagement with our supporters and fast tracking a digital offering.
- Our retail shops were closed for the majority of the year, although support was high during the brief trading periods and goods donations were exceptional.
- We focused our retail efforts in online sales.
- We seized the opportunity to review our retail offering revisiting our retail strategic direction.

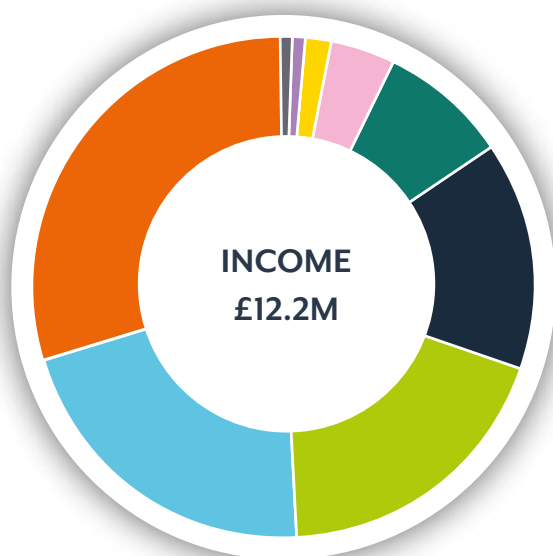
FINANCIAL REVIEW

The Statement of Financial Activities on page 25 provides the detail of financial performance.

In the year, the charity recognised:

	Excluding Government Support	Government Support	2021	2020	% Increase / (Decrease) YoY excluding Govt Support
Income	£9.9m	£2.3m	£12.2m	£12.5m	** (19.5%)
Expenditure	£10.8m	£0.0m	£10.8m	£11.9m	(9.2%)
Investment Gains	£0.5m	£0.0m	£0.5m	£0.1m	
Net Income	(£0.4m)	£2.3m	£1.9m	£0.7m	

** Note £0.2m of Government funding was received in 2020.



£0.1M	Other Income
£0.1M	Investments
£0.2M	Capital Appeal
£0.5M	Trading Activities - Retail
£1M	Trading Activities - Other
£1.8M	Legacies
£2.3M	Government Support
£2.6M	Donations
£3.6M	Charitable Activities



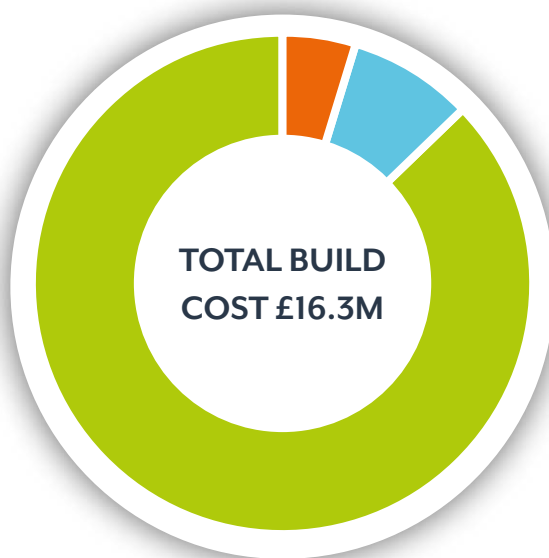
£0	Capital Appeal
£0	Investments
£0.6M	Trading Activities, Other
£0.9M	Donations and Legacies
£1.6M	Trading Activities, Retail
£7.6M	Charitable Activities

COVID-19 continued to impact both income and cost during the financial year:

- The greatest impact on our income, with a drop of £1.4m, was seen in trading activities with fundraising events cancelled and retail shops closed for significant periods during the year, including the hospice's coffee shop.
- Our capital appeal was put on hold in the year as a result of the pause on the new hospice build.
- Emergency appeals exceeded our expectations as our community showed their loyal support.
- We experienced higher legacy income in the year of £0.5m with increased notifications and a buoyant housing market.
- We benefitted from £0.5m of investments gains as markets bounced back.

- We managed our cost base in the year, supported by furlough and rates related grants to mitigate income uncertainty. Our workforce review played a significant part, whilst driving a robust organisational structure to support our future ambitions.
- We paused many of our strategic initiatives, supported by designated funds, including our New Ambition initiative for income generation and digital transformation projects such as our Electronic Patient Record System.
- We received £1.6m of Government funding in the year, negotiated by Hospice UK in support of hospices across the UK. This income was restricted by Hospice UK to be used to support patient care against charitable costs, excluding income generation, in its delivery. Expenditure has been allocated as a reserve transfer in the year as detailed in the section reserves and going concern on page 14.

- £0.1m of income, aligned to specified costs was received from local CCGs in support of COVID-19 costs to support the system during the pandemic.
- We relaunched the capital appeal in March 2021 with a target of £1.5m, with £161k raised and £250k received in early 2021/22.
- In support of ensuring the revised design retains family spaces throughout our two inpatient wings, we have received pledges for generous donations from Thakeham Homes, of £0.6m and Mr Bill Bridges, of £0.22m.
- Expenditure to date brought the project to RIBA stage 4, with funds of £13m currently in reserves to support the project recommencement in 2021.



■ **£0.8k** Donations Pledged
■ **£1.3k** Capital Appeal to Raise
■ **£14.1M** Funds Raised

■ **£1.2M** Expenditure to Date
■ **£15.1M** Remaining Expenditure

Reserves and Going Concern

During the financial year robust forecasts were produced to 2024/25 supporting the strategic direction of the hospice informing the Trustees' decision making process in the new hospice development. The impact of COVID-19 and the resultant COVID-19 centred risk register focused the Trustees and Executive's attention to monthly reforecasts during the year, which reverted to quarterly from Q4 2020/21 as volatility eased and a clearer line of sight was obtained.

Having reviewed and formally agreed the forecasts and cashflows prepared in January 2021, together with the Executive's recovery plans, the Trustees believe, to the best of their knowledge, that the charity remains a going concern for the 12-18 month period from the date of approval of the financial statements.

St Catherine's reserves policy is to maintain free reserves at a level that is sufficient to protect services from the potential financial impact of known significant risks over the short to medium term. The assessment of risks to inform the reserves policy is derived from the corporate risk register, with the key risks detailed on page 15 and 16 and is reviewed at least annually or more frequently if there is a major change in circumstances. In addition to known and approved capital and other commitments, which are set aside as designated funds, the charity's policy is to hold between £4 and £9 million in general reserves. This policy remains valid having overlaid and tested the COVID-19 risk register and associated financial impact.

The net movement in reserves in the year is set out in Notes 19 to 22 to the accounts.

Total reserves at 31st March 2021 were £25.3m, (2020 - £23.3m), with available reserves of £21.2m and Free General Reserves of £6.6m (note 19), (2020 - £5.3m).

Net Expenditure excluding COVID-19 (C-19) government support during the year was £256k.

Focusing on Unrestricted General Reserves which is equivalent to the hospice's operational position a net loss of £858k was seen in year as a direct impact of the pandemic on voluntary income generation, excluding government support. The build back of the investment market resulted in a net unrealised gain of £541k resulting in net loss on unrestricted general reserves of £317k, as illustrated in the table below:

	Restricted Reserves Govt Support	Unrestricted General Reserves
Balance as at 01/04/2020		£7.3m
Income / (Expenditure) on operational activities		(£0.8m)
Investment Gains / (Losses)		£0.5m
Net Income / (Expenditure)		(£0.3m)
Balance as at 01/04/2021		£7.0m
C-19 HUK Income	£1.6m	
C-19 Furlough Income		£0.5m
C-19 Rates Grants Income		£0.1m
C-19 Net Government Support	£1.6m	£0.6m
C-19 HUK Funded Cost Transfer	(£1.6m)	£1.6m
Other Transfers		(£0.7m)
Balance as at 01/04/2021	£0.0m	£8.5m

Government Support by way of Furlough and Retail Rates Grants totalling £600k was received supporting the hospice's staffing and retail costs during the year where fundraising and retail income were severely affected to maintain safety, complying with government guidelines. This funding improved the net unrestricted expenditure position from £317k to a net income of £283k as seen in the SOFA on page 25.

The hospice was supported during the year with Government support negotiated by Hospice UK with NHSE to a value of £1.6m, and restricted to support patient care against charitable costs, excluding income generation, in its delivery.

A further £0.2m of funding was received by local CCGs, restricted in support of the provision of additional capacity with clear restricted cost alignment in the year.

The restricted HUK receipts of £1.6m have been matched to cost via a reserve transfer from unrestricted general funds to restricted funds, thus preserving transparency of operational cost and year on year comparisons.

The hospice's "free" reserves (unrestricted general reserves less the value of unrestricted fixed assets) at 31 March 2021 were £6.6m as seen in note 19, which aligns with the charity's reserves policy.

Market Value of Land and Buildings

Freehold land in Crawley was donated to the hospice and valued at £60,000 by the Directors in December 1983. All other freehold land and buildings shown in Fixed Assets in the Balance Sheet are included in the financial statements at cost or open market value if lower. In the opinion of the Directors, the open market value of the freehold land and buildings is not less than the amounts shown in the financial statements.



Investments

The overall objective of the charity for its investments, which represent reserves held consistent with its reserves policy, is to provide financial security and stability, recognising that the charity is exposed to a degree of financial risk due to the variable and uncertain nature of its income streams.

The Trustees have agreed that the charity's assets can be invested widely and should be diversified by asset class, by manager and by security. Asset classes could include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities, and any other asset that is deemed suitable.

The charity seeks to produce the best financial return within an acceptable level of risk. The charity has adopted an ethical investment policy to ensure that its investments do not conflict with its aims or can lead to reputational damage. The investment objective for the long-term fund is returns which over a rolling 5 years achieve of CPI +4%.

The Financial Sustainability Committee has responsibility for agreeing the investment strategy, setting benchmarks and monitoring the investment assets on a quarterly basis.

A formal evaluation of each fund managers' performance and consideration of the need to undertake full market testing is undertaken every 3-5 years. The Financial Sustainability Committee will give consideration to the timing of this evaluation at the same time as it reviews the overall investment policy.

Note 14 gives further information on the Investment position as at 31 March 2021.

A significant element of the charity's investments are held with Rathbone Investment Management, Sarasin and Partners LLP and CCLA, where investments have been de-risked or held as short term cash deposits to protect funds required for the imminent New Hospice build.

Given the pandemic and the risks associated with future performance as we re-start our New Build project, the Financial Sustainability Committee are considering the investment strategy to continue to protect funds available for the project, but also to ensure that funds are not put at risk in support of operational requirements during this period.

QUALITY

We have maintained our focus on the quality and reach of our services and income generation development, whilst strengthening our supporting activities through our integrated governance framework.

We have continued to meet its high standards of care, including the introduction of critical safety measures to protect our patients, families, staff and volunteers.



- A CQC inspection was carried out in 2016 with an overall rating of Outstanding.
- We continue to work closely with the CQC to provide assurance that the organisation remains committed to improving its quality and is fully compliant with all statutory requirements.
- The CHKS (Comparative Health Knowledge System) inspection framework informs the charity's internal Quality Management System, which is recognised by CHKS as the embedded approach across the entire organisation's activities. Recent assessments acknowledge the strength of our collaborative and integrated approach.
- The IIP accreditation reminds the organisation of the requirement for a comprehensive People Plan, something the charity is fully committed to not least in recognising the additional safety, welfare and activity/service delivery pressures placed on all our staff and certain volunteers through the pandemic.
- The charity has an assurance framework in place to ensure it is compliant with GDPR requirements and the Data Protection Act 2018. Annual submissions are made to the NHS Data Security and Protection Toolkit to provide assurance that the hospice is practising good data security and that personal information is handled appropriately.
- We support a "Voices of Experience" group who regularly provide input of patient, carer and family experiences to supporting us in enhancing the quality of our service and providing the care required to meet the needs of our community.
- As part of the Quality improvement programmes, measuring outcomes is key to ensuring we meet the needs of individual patients and make a positive difference to people (and their families) who receive our care.
- In delivering our strategic plans we fundraise ambitiously, responsibly and in accordance with the Charities Act, Codes of Fundraising Practice set out by the Fundraising Regulator, with whom we are registered, and Gambling Commission.
- We work with organisations raising money on our behalf. We proactively monitor their activities to ensure compliance and the protection of vulnerable people. We carry this out through a variety of methods including face to face meetings, contact and follow up with donors, a robust complaints system, mystery shopping and audit. During the financial year 2020/21 the charity received and managed 1 complaint (2019/20: 2 complaints) about its fundraising activity.
- We are committed to the efficient use of all funds raised to maximise the reach of people we can support. We are accredited with the Hospice Quality Partnership, developing contractual partnerships with the organisation's supplier partners.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees regularly assess the major risks to which the charity is exposed, both operationally and financially.

A formal strategic risk register is maintained and regularly reviewed during the year by the Senior Management Team and appropriate Committees, chaired by a Trustee. The Trustees recognise that effective risk management is integral to the achievement of the charity's strategic and operational objectives. A comprehensive risk management framework is in place to ensure the effective management of both strategic and operational risks. Training is in place for managers as part of the charity's management training programme.

In response to the COVID-19 emergency, an additional risk profile was managed by the SMT. As the impact of COVID-19 became a part of our new normal ways of managing the organisation, the risk register was subsumed into the hospice's strategic and operational risk register. The table below highlights the significant risks identified on the charity's risk register and agreed by the Trustees:

Strategic Risks	Controls & Mitigations
Impact of COVID-19 and our ability to build back our income generation activities to meet our operational forecast	<ul style="list-style-type: none"> • Reorganisation of the Fundraising team to support future activities and supporter engagement. • A Retail review carried out to identify opportunities to optimise income, aligning our offering to individual locations and engaging further with our communities. • Re-engagement of the Capital Appeal in support of the new hospice.
Inability to meet all requirements to proceed with the New Hospice build.	<ul style="list-style-type: none"> • Approval of a reduced scheme by the Trustees to support our financial position and Capital Appeal expectations. • Undertaking significant stakeholder engagement to maintain land donation, agree approach to utilisation of the community hub and progress build. • Engaging with Barnes, the main contractor to secure a renewed fixed price contract to meet our revised budget.
Adverse impact of significant organisational change on our ability to maintain a skilled and motivated workforce.	<ul style="list-style-type: none"> • The organisational restructures in 2020 affecting the income generation and support services directorates were accompanied by effective communications, support and coaching, remaining mindful of the individuals involved. Now concluded these teams are embedding their new structures. • The Clinical team have engaged in their consultation with the same support in order to derive an efficient structure to deliver our future strategy as we develop our services towards the new hospice.
Unable to secure ongoing statutory funding to meet our operational forecast	<ul style="list-style-type: none"> • Local Commissioners fully aware of our financial projections – matter under review within local Clinical Commissioning Groups (CCGs). CQC also aware. • Wider NHS organisational change under consultation suggesting our CCG contracts will move to new NHS bodies with further information awaited.

Strategic Risks	Controls & Mitigations
Leadership; maintaining the organisation as a going concern.	<ul style="list-style-type: none"> • Routine financial reporting and forecast processes providing timely insight of our financial position for decision making purposes. • Organisational restructures will secure efficient delivery of services, whilst maintaining our high standards of patient, family and carer support.
Inability to provide a safe environment to support treatment of patients.	<ul style="list-style-type: none"> • Our policies and processes together with NHS engagement have allowed us to be responsive to changing conditions, ensuring operational practice remains in step with changing conditions and requirements to keep staff, volunteers, patients and their relatives safe. • Our governance structure embeds review and learning to ensure we remain alert and responsive to our safeguarding principles.
Insufficient IT capability to support revised working regimes.	<ul style="list-style-type: none"> • Digital Solutions are high on our agenda supported by the Trustees as we emerge from the pandemic and secure future resilience. • The launch of SystmOne, our new Electronic Patient Record System in 2021/22 will support our clinical teams in patient care.

FUTURE PLANS

Our strategic priorities have not changed as a result of the COVID-19 pandemic, despite being paused during this financial year. However, we will also focus on the financial impact of the pandemic and any emerging clinical needs in relation to delivery of care to people who are at their most vulnerable.

Income

Recognising that COVID-19 will be a part of our lives for the foreseeable future we will continue to adjust to ensure a sustainable future.

- We will rebuild our income focusing on innovation alongside careful planning, nimble resource deployment and budgetary control.
- Our key areas of focus in the year ahead will be:
- Delivery of a successful Capital Appeal of £1.5m in support of the new hospice.
- Recovery and growth of our voluntary income, focussing on individual donations and strengthening our loyal supporter base.
- Safely resuming public fundraising.
- Strengthening our retail operations and build back of income now that shops have re-opened.

- Understanding the statutory sector's imminent re-organisation and building a profile with the newly re-organised system when it emerges.

Staff and Volunteers

The key focus will be on delivering the People Plan, which immediately focuses on the safety and wellbeing of our staff:

- Workforce Planning – We will embed the organisational structures put in place as a result of our consultation processes, developing our strategy for services as we look ahead to our transition to our new hospice facility.
- Communication and Engagement – We will ensure our staff and volunteers feel engaged through greater involvement including enabling safe and secure methods for feedback and ideas.

- We are committed to Succession Planning and Progression which will enable our organisation to build its future resilience.
- Management Training – We will ensure our managers are confident in their roles and can meet the challenges of these roles allowing input to drive and lead required change.
- We will expand the engagement of Volunteers within the hospice to safely maximise impact.
- Equality Diversity and Inclusion – we will focus on understanding why our workforce currently doesn't reflect the communities we serve, understanding the impact on those that access our service. We know that an inclusive culture attracts, develops and retains talent and we are committed to improving this.

- We are committed to collaboration across the seven Sussex hospices and seek further enhancement with our Surrey colleagues. The Sussex workstream programme is growing momentum and will continue to seek further opportunities. Current workstreams include the delivery of:
 - A Sussex-wide Project ECHO telementoring hub to deliver education in care homes.
 - An online platform for sharing mandatory training.
 - A shared management education programme.
 - Joint posts between individual hospices.
 - A common data set for stakeholder reporting.
 - Benchmarking costs and activity for core services.
 - A collective representation at key planning forums in the Sussex healthcare system.

Investing in New Premises

Work will commence this year to prepare the organisation for the transition to the new premises, incorporating the lessons from undertaking care and providing a safe facility during the pandemic.

- Our build programme, at the five acre new site is scheduled to begin in the Autumn of 2021 following final planning approval and will take approximately 18 months to complete.
- The revised new hospice will maintain its Sussex barn style look with:
 - 24 bed ensuite inpatient facility with family sitting, bariatric and dementia friendly spaces.
 - A reflective courtyard garden centred around our new spiritual space with a further space for our staff to enjoy the outdoor air during breaks.
 - A discrete entrance for patients with increased car parking facilities for our many visitors as well as staff.



- Outpatient and group therapy spaces will be sited to face out on to the development's main square, being a grassed area around which 600 homes are being built.
- The relaunch of our capital appeal is targeted to raise £1.5m
- We will open the new facility in 2023.
- The charity plans to sell the current site, liaising closely with Crawley Borough Council who own 26%.

Developing our Service Proposition

With our restructured service delivery model in place we can focus on safely delivering our key service priorities more efficiently across multi-disciplinary teams as we work towards our transition to the new hospice.

These service priorities remain as follows:

- Inpatient Services – We will maintain our expertise in the provision of complex care for those approaching end of life rebuilding capacity for offering respite and step-down care.

- Community Services – We will align our services to deliver care more effectively and efficiently alongside statutory and other health and social care colleagues, reaching beyond cancer to those who are frail and living with multi-morbidity.
- Wellbeing Services – We will strengthen our wellbeing and group support capabilities for those facing death in tandem with increasing the scope and scale of our carer and wider community support services.
- We will deliver a new Electronic Patient Record System, SystemOne which will enhance our service delivery.

Providing Leadership in End of Life Care

- We will continue to work in collaboration with the local NHS to highlight the needs of people facing end of life and those close to them.
- We will continue to promote better identification of people who are in the last year of life, improved care co-ordination across all settings and to encourage honest conversations about death and dying as well as advance care planning.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The directors are also the Trustees of the charity for the purposes of company law and as such are responsible for the management of the hospice's affairs and its future strategy. The Trustees are required to hold at least four Board meetings a year. There are six committees, chaired by a Trustee which are attended by the appropriate Senior Management Team Member(s), which meet prior to and feed into each Board meeting.

- Financial Sustainability Committee (includes income generation activity)
- People and Development Committee
- Quality Committee
- Board Effectiveness Committee
- New Build Project Board
- Remuneration Committee (Chief Executive remuneration only)

Rotation, recruitment and appointment and induction of Trustees

The Trustees consider it essential that the Board is strong, well-balanced and effective comprising members with the requisite professional skills and experience in healthcare or local services to properly represent users of the charity's services. Looking forward, the Board will carefully consider how to increase its diversity and inclusion to better meet the needs of the local population.

Trustees are recruited through local advertising and a robust selection process. Trustees serve for a maximum of two terms of four years each.

An induction programme is provided to all new directors. They are advised of their responsibilities as directors and Trustees, including their legal

obligations under charity and company law and the Charity Commission guidance on public benefit, given copies of the charity's governing documents, and are appraised of the charity's aims and activities, current financial performance and its plans for the future. All Trustees receive an annual performance review and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

The Trustees who served St Catherine's Hospice during the year were as follows:

Terence O'Leary	Chairman of the Board & Chair Remuneration Committee
Catherine Blackburn	Chair People and Development Committee
Lisa Compton	Chair Quality Committee
Jan Dowding	Resigned July 2021 Co-Chair Financial Sustainability Committee to June 2020
Gregory Andrews	Chair Financial Sustainability Committee from June 2020
Alison Livesley	Chair Board Effectiveness Committee Lead Trustee supporting the NBPB Chair, Andrew Wates
Nicola Wiltshire	
Alison Crombie	
Kate Midgley	
Gemma Dawson	Appointed November 2020
Philip Ingleby	Appointed November 2020
Richard Griffin	Appointed November 2020
Christine Maclean	Resigned June 2020 Chair Board Effectiveness Committee to June 2020

Given his significant relevant experience, the charity is delighted to enjoy the support of one of its Vice Presidents, Andrew Wates, who leads the New Build Project Board. Also supporting this effort is Mr Bill Mackie whose guidance on legal and other matters impinging on the new build programme has been, and remains, greatly valued.

Two Trustees resigned during the year. The Trustees would like to thank them for their valuable contributions during their time with St Catherine's Hospice.

Three Trustee elects were formerly appointed as Trustees in November.

Following the changes in Trustee during the year and in line with the rotational expectations, a reorganisation of the committee chairs was made with those changes in place from June 2020 as shown above.

The General Meeting was virtually held this year, where the Trustees provided an overview of our achievements and future plans, allowing additional challenge to the Trustees and the organisation, on behalf of the community.

Senior Management Team

The Board delegates the day-to-day management of the hospice to the Chief Executive, Giles Tomsett and the officers of the company:

- Medical Director
Patricia Brayden
- Director of Income Generation and Marketing
Claire Irving
- Finance Director
Cathy Heard
- People and Site Services Director
Elly Powis
- New Build Delivery and Collaboration Director
Paul Rycroft
- Director of Care Services
Carol Harris
- Interim Director of Wellbeing
Katy Cox, Resigned July 2020

Claire Irving acted as Chief Executive for the period between February and June 2020, covering Giles Tomsett during an approved three-month unpaid sabbatical. On his return, the Chief Executive also took over responsibility for Wellbeing Services, pending the service delivery restructure which commenced in April 2021. The Trustees would like to thank Giles and Claire for their significant contribution during this period.

The charity has set up a clear pay progression arrangement for its senior leaders which reflects arrangements in place for all staff and managers. As the charity strives to make its reward offer as competitive as it can afford, it will continue to consider managers and senior management remuneration. The pay points for the Senior Management Team are now in place having recently been set, using benchmarks for similar sized charities. Pay progression for these senior officers is delegated to the Chief Executive. The Chief Executive's pay also progresses over several pay points and progression is agreed by the charity's Remuneration Committee.

The Senior Management Team meets weekly, rotating meetings to review strategy and business plan delivery,



the quality management system across all activities, risk management and operational service performance, including budgetary review and regular reforecasting. The SMT have been trialling the closer engagement of the charity's senior managers recognising the risk that the pandemic might impact the availability of leaders at any time. This pilot has proven very successful and will be consolidated within the charity's Integrated Governance Framework.

Information is cascaded to the Heads of Department and key managers in two monthly interactive update sessions and to staff through appropriate all staff meetings, awards events and departmental team meetings. In the last year all meetings were held virtually. Trustees are invited to attend these meetings periodically to assure themselves of the quality of communication, education and training that is being provided.

Statement of Directors Responsibilities

The Board of Directors is responsible for the approval of the annual accounts, ensuring compliance with the Charities Act 2011, the Companies Act 2006

and the Memorandum and Articles of Association and Accounting and Reporting Statement of Recommended Practice applicable in the UK and Republic of Ireland, FRS 102.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- ensure compliance with the methods and principles in the Memorandum and Articles of Association and Accounting and Reporting Statement of Recommended Practice applicable in the UK and Republic of Ireland, FRS 102 which was effective from 1st January 2019.
- make judgements and estimates that are reasonable and prudent.



- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Details of directors' interests in contracts and related party transactions are given in note 10 to the accounts.

Statement as to disclosure to the Auditors

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and the Trustees have taken all steps they ought to have

taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Haysmacintyre LLP have been re-appointed as auditor to the company under Section 485 of the Companies Act 2006.

The Report of the Board of Trustees, incorporating the strategic report, was approved by the Board on 7th September 2021 and signed on its behalf by:

Terence O'Leary
Chairman

AUDITORS REPORT

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ST CATHERINE'S HOSPICE

Opinion

We have audited the financial statements of St Catherine's Hospice Limited for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Hospice Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the

group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 group'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 Chairman's and CEO's Report and in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' 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 charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 20, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and consider other factors such as sales tax and payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the improper recognition of revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

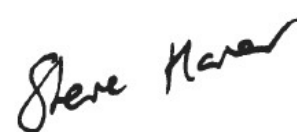
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;

- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Reviewing the cut-off of income recognised to consider whether income had been recognised in the correct accounting period; and
- Challenging assumptions and judgements made by management in their critical accounting estimates including those related to the recognition of income including the accrual of legacy income and the valuation of legacy debtors.

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.

Use of our report

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



Steven Harper
(Senior Statutory Auditor)

For and on behalf of
Haysmacintyre LLP,
Statutory Auditor
7th September 2021

10 Queen Street Place
London
EC4R 1AG

Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2021

	Note	Restricted £'000's	Designated £'000's	Unrestricted £'000's	Total Funds 2021 £'000's	Total Funds 2020 £'000's
Income						
Donations & Legacies	2	279	0	4,222	4,501	4,551
Trading Activities	4	0	0	1,500	1,500	2,944
Charitable Activities	5	1,726	0	3,627	5,353	4,451
Investments	3	0	0	122	122	214
Other Income		34	0	684	718	342
Total Income		2,039	0	10,155	12,194	12,502
Expenditure						
Fundraising & Investment Activities		(1)	28	923	950	2,021
Trading Activities		0	4	2,225	2,229	2,650
Charitable Activities		307	29	7,265	7,601	7,673
Total Expenditure	6	306	61	10,413	10,780	11,906
Net Income / (Expenditure) on Operational Activities	7	1,733	(61)	(258)	1,414	596
Net Gains / (Losses) on Investments	14,15	0	0	541	541	73
Net Income / (Expenditure) for the Year	8	1,733	(61)	283	1,955	669
Transfer Between Funds	20,21	(1,666)	750	916	0	0
Net Movement In Funds		67	689	1,199	1,955	669
Funds B/F as at 1st April		4,094	11,921	7,305	23,320	22,651
Funds Carried Forward as at 31st March		4,161	12,610	8,504	25,275	23,320

All gains and losses arising in the current and previous year have been recognised in the Statement of Financial Activities and arise from continuing activities.

The prior year comparators for each fund included above are included in notes 44 to 46

The notes on pages 32 to 46 form part of these financial statements.

Balance Sheets as at 31 March 2021

Company Registration No. 01525404

	Notes	Group		Hospice	
		31 March 2021 £'000	31 March 2020 £'000	31 March 2021 £'000	31 March 2020 £'000
Fixed Assets					
Tangible Assets	13	2,751	2,876	2,751	2,876
Construction in Progress - Pease Pottage	13	1,235	807	1,235	807
Investments	14	13,065	15,862	13,065	15,912
		<u>17,051</u>	<u>19,545</u>	<u>17,051</u>	<u>19,595</u>
Current Assets					
Investments	15	3,765	263	3,765	263
Stock	16	4	3	0	0
Debtors	17	1,270	1,265	1,288	1,346
Cash at Bank		3,706	3,130	3,645	3,015
		<u>8,745</u>	<u>4,660</u>	<u>8,698</u>	<u>4,625</u>
Current Liabilities					
Creditors: amounts falling due within one year	18	385	724	379	722
Net Current Assets		<u>8,360</u>	<u>3,931</u>	<u>8,319</u>	<u>3,898</u>
Total Assets less Current Liabilities					
		<u>25,411</u>	<u>23,476</u>	<u>25,370</u>	<u>23,493</u>
Creditors: amounts falling due greater one year	11	136	161	136	161
Total Net Assets		<u>25,275</u>	<u>23,320</u>	<u>25,234</u>	<u>23,337</u>
The Funds of the Charity					
Restricted Funds	20	4,161	4,094	4,161	4,094
Designated Funds	21	12,610	11,921	12,610	11,921
Unrestricted Funds	21	8,504	7,305	8,463	7,322
Total Funds	22	<u>25,275</u>	<u>23,320</u>	<u>25,234</u>	<u>23,337</u>

The unconsolidated net income of the Hospice in 2020/21 was £1,947,000 (2019/20 £598,000).

The Financial Statements on pages 25 to 46 were approved by the Board of Directors and authorised for issue on 7th September 2021 and are signed on its behalf by:

G.E. Andrews

Gregory Andrews
Trustee / Director

The notes on pages 28 to 46 form part of these financial statements.

Consolidated Cash Flow Statement as at 31 March 2021

		31 March 2021 £'000	31 March 2020 £'000
	Notes		
Cashflows from Operating Activities			
Net Cash provided by / (used in) Operating Activities	25a	4,512	783
Cashflows from Investing Activities			
Gains / (Losses) on Investments		91	154
Purchase of Property, Plant & Equipment		(98)	(245)
New Build Construction in Progress		(428)	(397)
Proceeds from Sale of Assets		1	0
Net Cash provided by / (used in) Investing Activities		(434)	(488)
Change in Cash & Equivalents in the Reporting Period		4,078	295
Cash & Equivalents at the beginning of the Reporting Period		3,393	3,098
Cash & Equivalents at the end of the Reporting Period	25b	7,471	3,393

The notes on pages 28 to 46 form part of these financial statements.

Accounting Policies

Principal Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The hospice meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy notes.

Legal Status of the Charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member.

Going Concern

Having given prioritised oversight of, the financial forecasts, cashflows and risk register during the year in response to the pandemic and its impact on future aspirations, the Trustees have realigned the hospice's future strategic direction to meet short to medium term constraints. The Trustees, therefore, consider that there are no material uncertainties about St Catherine's Hospice Limited's ability to continue as a going concern for the foreseeable future. Free reserves stand within the charity's reserves policy requirements which has been agreed on a risk-based profile. Medium-term forecast projections indicate that the charity's free reserves remain within its policy's acceptable limits.

Material Areas of Judgement

The most significant area of judgement and key assumptions that affects items in the accounts is the estimation of income from Legacies. The estimated value of each outstanding legacy at 31 March is calculated in accordance with the principles set out in the Donation, Grants and Other Income section below. Another significant area of assumption is in respect of depreciation of Fixed Assets. The rates of write down are shown in the Tangible Fixed Assets section below. The Trustees are satisfied that these write down rates are a reasonable reflection of the expected useful life of the assets in each class.

Group Financial Statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiary St Catherine's Hospice Trading (Sussex) Limited on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Fund 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 where the donor has specified they should only be used for particular areas of the hospice's work. The aim and use of each designated and restricted fund is set out in the notes to the financial statements. Investment income, gains and losses are allocated to the appropriate fund.

Donated Assets

Tangible assets donated to the hospice are recorded at the original estimate of their value to the company.

A donation of land was received in 2019/20 and accounted for in accordance with this policy ensuring the valuation was a fair value, carried out by external professional valuers, as defined within FRS102 being the "amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

Tangible Fixed Assets

Fixed assets other than donated assets are stated at historical cost. All assets costing more than £2,000 are capitalised.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write down each asset to its estimated residual value evenly over its expected useful life, as follows:-

Accounting Policies

Freehold buildings	2% per annum on cost
Extensions and refurbishments	10% per annum on cost
Equipment (excluding leasehold improvements)	25% or 17% per annum on cost
Leasehold improvements	calculated on remaining length of lease
Computer Equipment	25% per annum on cost
Motor vehicles	25% per annum on cost

Taxation

The company is considered to pass the tests set out in the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation on income or capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

Operating Leases

Rental costs under operating leases are charged to the general fund operating account in equal annual amounts in accordance with the terms of the lease. Any benefits received or receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period of the lease.

Pension Contributions

The charity operates a defined contribution pension scheme, the assets of which are held separately from those of the charity in independently administered funds chosen by individual staff. Some staff participate in the NHS defined benefit pension scheme. Any resulting liabilities on this scheme would be met by the State. Therefore, contributions payable for the year in relation to either scheme are charged in the Statement of Financial Activities.

The company also participates in a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The charity is also making additional payments into the fund in order to eliminate the deficit. These payments commenced in April 2013 and are currently scheduled to continue until January 2025. To recognise the future liability and in accordance with FRS 102 the Trustees have agreed to make a provision for the present value of the outstanding deficit contributions.

Further details including the current buy-out debt amount and value of the provision are given in Note 11.

Donations Grants and Other Income

Income is recognised in the Statement of Financial Activities when the charity is entitled to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income has related expenditure (as with fundraising or contract income) the income and related expenditure are reported gross in the Statement of Financial Activities.

- In the event that a donation or grant is subject to fulfilling performance conditions before the charity is entitled to the funds the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income accrued in debtors.
- Income from NHS contracts, government or other grants, whether capital or revenue in nature are recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that

Accounting Policies

- the income will be received and the amount can be measured reliably.
- Income, including sponsorship received in advance for a future fundraising event or for a grant received relating to the following year is deferred until the criteria for income recognition is met.
- Items donated for resale through the retail shops are included in the accounts when the items are sold.
- Investment income is included when receivable and the amount can be measured reliably, usually when the notification of interest payable is received from the bank. Dividends are recognised once the dividend has been declared and notification has been received of the amount due.
- Income from legacies is determined on a case by case basis in accordance with the following principles. Pecuniary legacies are recognised once probate has been granted and notification has been received that payment will be received. Residuary legacies are recognised once probate has been granted, provided that sufficient information has been received to enable valuation of the hospice's entitlement with sufficient certainty; amounts receivable are included at 90% of their valuation, to reflect the sector's experience of the uncertainty inherent in the administration of estates, subject to further reduction to reflect the impact of other factors such as the valuation of unrealised estate assets or subsequent adverse movements in property and investment markets. 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.
- All subscriptions for the lottery draws are deferred, with income drawn down each week. All other income received in one period but relating to future periods is shown as deferred income under creditors.

Donated Goods and Services

Donations of goods and services, including seconded NHS doctors, are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from its use is probable and the economic benefit can be reliably measured. These items are included in income at the estimated value of the gift to the charity when received based on the amount the charity would have been prepared to pay had it been required to purchase them.

Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements. Further details of their contribution are provided in note 12.

Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis once there is a legal obligation to make a payment, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is categorised under the following headings:

Costs of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies; investment management fees; costs of fundraising activities including the costs of goods sold, shop costs, commercial trading and their associated support costs. Fundraising costs do not include the costs of disseminating information in support of the hospice's charitable activities.

Expenditure on charitable activities includes the costs of providing specialist palliative care and support to patients, their families and the wider community; research and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the hospice and include governance cost, finance and office costs. Governance costs are those costs incurred in connection with complying with constitutional and statutory requirements of the charity. Where practicable irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are allocated to each of the activities on a variety of bases, principally headcount, floor area or time spent on activities depending on the nature of the support costs, to best allocate the costs to each attributable heading. More details on the analysis and basis of allocation is given in note 6.

Financial Instruments

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

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price, except for the shares in the trading subsidiary which are carried at cost. The Statement of Financial Activities includes the

Accounting Policies

net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired during the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The charity does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity and bond markets due to wider economic conditions, the attitudes of investors to investment risk and changes in sentiment concerning equities and other instruments within particular sectors.

Stock

Stock of goods for resale is valued at the lower of cost and net realisable value. Stock donated for resale are not included in the financial statements until they are sold because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place to record these until they are sold and undertaking a stock take would incur undue cost and income loss for the charity which would far outweigh the benefits.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid deposits with a short maturity of 95 days or less from the date of acquisition or opening of the account.

Creditors

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

Supporting Notes to Financial Statements

1 Income

Income derives from the group's principal activities carried on wholly in the United Kingdom.

2 Income from Fundraising Activities

	Restricted £'000's	Designated £'000's	Unrestricted £'000's	2021 £'000's	2020 £'000's
Donations	106	0	2,287	2,393	2,035
Legacies	0	0	1,785	1,785	1,263
Other Grants	12	0	150	162	143
Donations in Kind	0	0	0	0	0
Capital Appeal - Pease Pottage	161	0	0	161	1,110
	279	0	4,222	4,501	4,551

3 Income from Investments

	2021 £'000	2020 £'000
Listed Investment Income	121	197
Interest Received	1	17
	122	214

4 Income from Trading Activities

	2021 £'000's	2020 £'000's
Retail	521	1,343
Lottery	825	880
Fundraising Events	154	721
	1,500	2,944

5 Income from Charitable Activities

	Restricted £'000's	Unrestricted £'000's	2021 £'000	2020 £'000
NHS Block Contract / Grant	0	2,605	2,605	2892
NHS Contribution to Drug Costs	0	105	105	130
NHS Contribution to Lymphoedema Service	0	64	64	305
NHS Community Support Pilot	0	320	320	319
Income for Inpatient Beds from Continuing Healthcare (CHC)	0	43	43	230
Research Grant	0	58	58	55
Other Service Contracts	0	420	420	503
COVID 19 Hospice UK (HUK) Support	1,579	0	1,579	0
COVID 19 Clinical Commissioning Group (CCG) Support	147	0	147	0
Education Income	0	12	12	17
	1,726	3,627	5,353	4,451

Supporting Notes to Financial Statements

6 a) Expenditure

	Direct Costs £000's	Support Costs £000's	Depreciation £000's	Total 2021 £000's	Total 2020 £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	612	265	23	900	1,409
Capital Appeal - Pease Pottage	19	0	0	19	126
Investment Management	31	0	0	31	48
	662	265	23	950	1,583
Trading Activities					
Retail Shops	1,140	426	25	1,591	1,912
Lottery Costs	63	87	3	153	300
Fundraising Events	303	178	4	485	438
	1,506	691	32	2,229	2,650
Charitable Activities					
Inpatient Services	2,940	979	52	3,971	3,411
Community Services	1,941	522	47	2,510	2,770
Wellbeing Services	572	291	22	885	1,116
Education	168	63	5	236	376
	5,620	1,855	126	7,601	7,673
	7,788	2,811	181	10,780	11,906

b) Analysis of Support Costs in a) above

	Facilities & Hospitality £000's	Support Services £000's	Corporate Comms £000's	Governance £000's	Support Costs Total £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	58	151	43	13	265
	58	151	43	13	265
Trading Activities					
Retail Shops	93	293	15	25	426
Lottery Costs	57	11	18	1	87
Fundraising Events	58	75	38	7	178
	208	379	71	33	691
Charitable Activities					
Inpatient Services	259	649	15	56	979
Community Services	72	401	14	35	522
Wellbeing Services	101	161	15	14	291
Education	22	32	7	2	63
	454	1,243	51	107	1,855
	721	1,773	164	153	2,811

7 Trading Operations

The wholly owned trading subsidiary, St Catherine's Hospice Trading (Sussex) Limited, UK company registration number 02822993, pays all its eligible profits to the charity under Gift Aid. The company manages the sale of purchased goods through the hospice retail shops and its Coffee Shop.

The charity owns the entire issued share capital of 50,000 shares of £1 each.

Supporting Notes to Financial Statements

A summary of the trading results is shown below.

	2021 £'000	2020 £'000
Turnover	55	123
Cost of Sales	12	49
Gross Profit	43	74
Other Operating Expenses (net)	35	84
Profit on Ordinary Activities	8	(10)
Donations under Gift Aid		7
Corporation Tax		
Profit Retained in the Subsidiary	8	(17)

8 Net Income / Expenditure

	2021 £'000	2020 £'000
Net Income / (Expenditure) is stated after charging:		
Tangible Fixed Asset Depreciation and amounts Written Off in the Period		
Owned Assets	210	215
Operating Lease Rentals - Equipment	19	27
Operating Lease Rentals - Shops & Office	385	370
Auditors Remuneration	22	14
Other Services to Group	0	0

9 Employees

	2021 FTE's	2020 FTE's
Average Weekly FTE's		
Fundraising	22	31
Retail	27	29
Inpatient Services	60	54
Community Services	37	45
Wellbeing Services	15	15
Education	3	6
Support Services	49	47
	213	228

The hospice employs a significant number of staff on a part-time basis. The average of number of paid staff in the charity and group in 2020/21 was 264 (2019/20: 269).

	2021	2020
	£'000	£'000
Staff Costs		
Salaries	7,363	6,834
Social Security Costs	673	650
Other Pension Costs	622	603
	8,658	8,087

The hospice made ex gratia payments to staff in 2020/21 of £57,000, (2019/20 £20,000). Pension costs for both years are shown net of NHS funding of £71,000. No emolument was paid during the year to any of the Directors (2019/20: £Nil) and no Director was reimbursed for expenses (2019/20: £Nil). Included in the staff costs above is £285,000 (2019/20 £254,000) in respect of seconded NHS doctors paid from NHS funds.

The number of employees who received emoluments in the following ranges was:

	31 March 2021	31 March 2020
	£'000	£'000
£60,001 - £70,000	3	1
£70,001 - £80,000	3	3
£80,001 - £90,000	1	1
£90,001 - £100,000	0	1
£100,001 - £110,000	1	1
£110,001 - £120,000	2	1
	10	8

All of the above higher paid employees are accruing retirement benefits under schemes treated as defined contribution schemes. The company made pension contributions of £100,000 on behalf of these staff in 2020/21 (2019/20 £92,000).

The hospice considers that the key management personnel comprise the senior management team – who are the Chief Executive and 6 other key Directors and Heads of Service. The total employee benefits of the key management staff were £661,000 (2019/20 £687,000).

10 Related Party Transactions

During the year no Trustees received any remuneration or benefits in kind (2019/20 £Nil). Moreover, no Trustees received any reimbursement of travel expenses (2019/20 £Nil). Donations from Trustees to the charity amounted to £11,000 in 2020/21 (2019/20 £65,000).

The charity provided services during the year to its wholly owned trading subsidiary, St. Catherine's Hospice Trading (Sussex) Limited. The charge for those services amounted to £23,000 (2019/20 £89,000). No donation was made under gift aid from the trading subsidiary in the year (2019/20 £7,000).

There were no other related party transactions in the current year or previous year.

11 Pension Contributions

The charity makes contributions to the National Health Service Pension Scheme for participating employees. The NHS Scheme is a defined benefit scheme. As the scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities, this scheme is accounted for by the charity as a defined contribution scheme. Any resulting liabilities on this scheme would be met by the State. Therefore, contributions payable for the year in relation to the scheme are charged in the Statement of Financial Activities.

Supporting Notes to Financial Statements

The company participates in a pension scheme operated by the Pensions Trust called Growth Plan, with further details in accounting policies on Page 31.

The charity has been notified by The Pensions Trust of the estimated employer payment on withdrawal from the scheme as at 30 September 2017. As of this date the estimated employer payment for the hospice was £513,265. The potential debt is not included in the financial statements.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum	payable monthly and increasing by 3% each on 1st April)
--	------------------------------	--

Unless a concession has been agreed with the Trustees the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustees have asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum	(payable monthly and increasing by 3% each on 1st April)
--	------------------------------	---

From 1 April 2016 to 30 September 2028:	£54,560 per annum	(payable monthly and increasing by 3% each on 1st April)
---	-------------------	--

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Reconciliation of Opening & Closing Provisions

	2021 £'000	2020 £'000
Provision at start of Period	161	187
Unwinding of Discount Factor (Interest Expense)	4	2
Deficit Contribution Paid	(33)	(32)
Remeasurement - Amendment to Contribution Schedule	4	(4)
Prior Year Adjustment		8
Provision at End of Period	136	161

Income & Expenditure Impact

	2021 £'000	2020 £'000
Interest Expense	4	4
Amendment to Contribution Schedule	4	(9)
Costs charged to Income & Expenditure Account	8	(5)

Supporting Notes to Financial Statements

A rate of discount of 2.5% has been assumed in both 2019/20 and 2020/21 representing the Hospice's estimate of the cost of money to the charity.

The hospice also participates in a defined contribution pension scheme operated by the Pensions Trust, the assets of which are held separately from those of the hospice. Employees contribute between 3.2% and 6% of their salary with the charity contributing 150% of the employee contribution

The total pension cost charge of the group represents contributions payable by the charity and amounted to £604,000 (2020: £544,000). The figures have been shown net of NHS funding.

At the year-end contributions outstanding totalled £0 (2020: £90,000) and are included in the creditors. The estimated employer pension contributions payable by the company in 2021/22 is £600,000.

12 Volunteers

The charity is dependent upon a team of part-time voluntary helpers who assist in all areas of the charity's care.

There are three key types of volunteer:

Hospice Volunteers - providing a range of clinical services (e.g. complementary therapy, counselling, patient drivers) and support services (e.g. administration, hospitality, gardeners).

Retail Volunteers - providing sorting and till support to 14 charity shops, our warehouse and e-commerce work.

Community - supporting our fundraising work through Friends groups, running street collections and supporting events (e.g. marshalling, registration, refreshments, game stalls).

The pandemic has affected volunteering and our volunteers in many ways, as we have learned to adapt to the impact of COVID-19. We initially stood down all volunteers (with exception of our Counselling volunteers who continued throughout) and as we required their services in the face of an everchanging environment and working practices, they have continued to support us where they are safely able.

During 2020/21 we recruited 66 new volunteers, received over 370 enquiries to volunteer and created 7 new roles to help us deal with the challenges that COVID-19 placed upon us. We had over 220 volunteers supporting us at various times throughout the pandemic and for those who couldn't, they remained supportive and ready to return once we felt it was safe to do so.

13 Tangible Fixed Assets

Hospice & Group	Freehold Land & Buildings £'000	Equipment £'000	Motor Vehicles £'000	Construction in Progress £'000	Total £'000
Cost / Valuation at 1st April 2020	5,107	1,071	126	807	7,111
Additions	43	40	0	428	511
Disposals	0	0	(41)	0	(41)
Cost / Valuation at 31st March 2021	5,150	1,111	85	1,235	7,581
Depreciation at 31st March 2020	2,473	894	61	0	3,428
Charged in the Year	107	86	15	0	208
Disposals	0	0	(41)	0	(41)
Depreciation at 31st March 2021	2,580	980	35	0	3,595
Net Book Value 31st March 2021	2,570	131	50	1,235	3,986
Net Book Value 31st March 2020	2,635	175	66	807	3,683

Supporting Notes to Financial Statements

All the tangible fixed assets of the group are part of the accounts of the main charity.

Freehold land at Malthouse Road was donated to the hospice and valued at £60,000 by the Directors in December 1983.

Freehold land at Pease Pottage was donated to the hospice in December 2018. The Trustees carried out a valuation, supported by a firm of independent advisors, who valued the land at £1,000,000. The basis of value is at a fair value, as defined within the Financial Reporting Standard FRS102, being "the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction". This valuation assumes that conditions within the transfer for starting the development are met such that the option to purchase for £1 is not exercised. This option is exercisable should the development of the new hospice not take place and ceases 28 months after the transfer of the land.

All freehold land and buildings are included in the financial statements at lower of cost and open market value. In the opinion of the Directors, the open market value of the freehold land and buildings is not less than the stated value.

14 Fixed Asset Investments

Listed Investments £'000

Cost / Market Value 1st April 2020	15,862
Movement of Shares to Investments	85
Cash held in deposit accounts	(3,514)
Gains / (Losses) on Disposal	48
Unrealised Gains / (Losses)	493
Dividends & Interest	122
Management Fee	(31)
Cost / Market Value 31st March 2021	13,065
Historical Cost 31st March 2021	12,429

Investments held by the charity also include an additional £50,000 (2020 - £50,000) investment in the subsidiary company at cost.

Subsidiary Company

Name	Country of Incorporation	Class of Holding	Proportion Held	Aggregate Capital & Reserves £'000	Result for Year £'000
St Catherine's Hospice Trading (Sussex) Limited	England	Ordinary	100%	50	-

15 Investments held as Current Assets

Cost / Market Value 1st April 2020	£'000
Cash held in deposit accounts	3,502
Cost / Market Value 31st March 2021	3,765
Historical Cost 31st March 2021	3,512

Supporting Notes to Financial Statements

16 Stock

	Group		Hospice	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Stock				
Goods for Resale	4	3	0	0
	<u>4</u>	<u>3</u>	<u>0</u>	<u>0</u>

17 Debtors

	Group		Hospice	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Debtors				
Trade Debtors	129	181	129	181
Accrued Legacy Income	756	413	756	413
Amounts due from Subsidiary Company	0	0	18	81
Other Prepayments & Accrued Income	373	107	373	107
Other Debtors	12	564	12	564
	<u>1,270</u>	<u>1,265</u>	<u>1,288</u>	<u>1,346</u>

18 Creditors: Amounts falling due within one year

	Group		Hospice	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Creditors				
Trade and Other Creditors	101	321	101	321
Taxation and Social Security Costs	146	260	146	260
Accruals & Deferred Income	138	143	132	141
	<u>385</u>	<u>724</u>	<u>379</u>	<u>722</u>

19 Reserves – Movements by Fund

This schedule presents the final reserves position by fund, together with those designated and restricted funds for the New Hospice shown in total as a memo, for completeness.

This table breaks down the operational income and expenditure from government funding support and the allocation of spend that funding has delivered during this financial year. This provides the underlying operational position giving greater clarity when comparing against prior and future years.

Further information on the underlying operational net income and reserves position with COVID-19 support is detailed within the Financial Review on page 12.

	Restricted Funds £'000	Designated Funds £'000	Unrestricted Funds £'000	Total Funds £'000	New Hospice Funds (memo) £'000
Balance as at 1/04/2020	4,094	11,921	7,305	23,320	14,687
Excluding Govt Support	0	0	0	0	0
Net Inc / (Exp)	151	(61)	(858)	(768)	116
Unrealised Gains / (Losses)	0	0	541	541	0
Net Inc / (Exp)	151	(61)	(317)	(227)	116
Govt Support					
C19 HUK Income	1,582	0	0	1,582	
C19 CCG Income	144	0	0	144	
C19 Furlough Income	0	0	490	490	
C19 Rates Grants Income	0	0	110	110	
Net C19 Income	1,726	0	600	2,326	
C19 CCG Direct Expenditure	(144)	0	0	(144)	
Net COVID-19 Inc / (Exp)	1,582	0	600	2,182	
C19 Associated Cost Transfer	(1,582)	0	1,582	0	
Other Transfers	(84)	750	(666)	0	300
Balance as at 31/03/2021	4,161	12,610	8,504	25,275	15,103
Less:					
Fixed Assets	1,000	0	1,876	2,876	1,078
Construction in Progress	1,235	0	0	1,235	1,235
Available Reserves	1,926	12,610	6,628	21,164	12,790

Notes 20 and 21 provide further detail on fund movements in the year.

20 Restricted Funds: Group & Charity

	Balance 1 April 2020 £'000	Income in Year £'000	Expenditure in Year £'000	Transfers In / (Out) £'000	Balance 31 March 2021 £'000
Foundation Fund	7	0	0	(7)	0
Inpatient services	25	3	2	0	26
Community Services	20	40	40	0	20
Wellbeing Services	190	70	39	0	221
Education	28	0	0	0	28
Capital & Equipment	113	0	0	(77)	36
Other	24	39	63	0	0
Total Funds	407	152	144	(84)	331
COVID-19	0	1,726	144	(1,582)	0
Total Including COVID-19 Funds	407	1,878	288	(1,666)	331
Donations in Kind	1,000	0	0	0	1,000
New Horizons Donation to New Build	1,000	0	0	0	1,000
Capital Appeal - Pease Pottage	1,687	161	18	0	1,830
Total Funds	4,094	2,039	306	(1,666)	4,161

The hospice may receive grants or donations whose use is restricted by the donor. In these circumstances, the funds are shown as restricted.

Supporting Notes to Financial Statements

The restricted fund is managed through a governance group with expenditure aligned to donations.

Foundation Fund

New Horizons provides community fundraising in support of the hospice. Funds are transferred to the General Fund.

Wellbeing Services

Garden fund - monies raised to re-develop and enhance the hospice garden.

Creative Therapies – funds to support creative activities primarily in the Day Hospice.

Living Well groups – donations provided to support the operation of Living Well activity groups.

Community Services

Horsham Carers Support – funds provided by Horsham Hospital League of Friends to provide support and practical skills training for carers in the Horsham area

Community Nursing – funds donated by the Ernest Kleinwort Charitable Trust, towards the cost of a community nurse.

Education

Funds raised in support of education.

Capital & Equipment

Funds raised in support of capital and equipment.

Other

Funds raised for items not included above.

COVID-19 Government Support

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

The hospice received £1.6m of support from NHS England (NHSE) in the year. The associated costs have been allocated against these restricted funds via a reserve transfer from general reserves as detailed in the Financial Review.

In addition, £144k of CCG funding was granted in support of specific costs to support capacity requirements at the onset of the pandemic.

Capital Appeal – Pease Pottage

The generous donation of five acres of land as a gift in kind from Mr Bill Bridges as the site to build a new hospice has been valued as a gift in kind, by the Trustees supported by a firm of independent advisors at £1m.

Funds donated specifically towards the construction of a new hospice building. The charity paused its New Build project and Capital Appeal during 2020/21 after raising £1.7m and has re-launched in Q4 2020/21 with a target of £1.5m providing a total of £3.2m to complete the construction of its new hospice.

21 Unrestricted Funds

	Balance 1 April 2020 £'000	Income in Year £'000	Expenditure in Year £'000	Gain / (Loss) on Investments in Year £'000	Transfers In / (Out) £'000	Balance 31 March 2021 £'000
Designated Funds						
New Hospice Fund	11,000	0	27	0	300	11,273
Strategic Delivery	921	0	34	0	450	1,337
Total Designated Funds	11,921	0	61	0	750	12,610
General Funds	7,305	10,155	10,413	541	916	8,504
Total Unrestricted Funds	19,226	10,155	10,474	541	1,666	21,114

Unrestricted reserves are available to be used for:

- The day to day running of the hospice.
- The costs of any capital projects in whole or in part where the cost is not met from any other fund; and
- For any other purpose as the Directors see fit to fulfil the objectives of the hospice.

Supporting Notes to Financial Statements

Designated funds have been agreed by the Trustees to support costs in the delivery of its strategic goals.

New Hospice Fund

As described in the Trustees' / Directors' report St. Catherine's will be building a new hospice at Pease Pottage following the generous donation of five acres of land from Mr Bill Bridges and a donation from Mr John Shemeld in excess of £6m, representing monies set aside to finance the future major capital developments that are required to maintain and enhance the services of the hospice. This fund has been supported by the charity's reserves, including an additional funds transfer of £300k agreed by the Trustees, and the Capital appeal which aims to raise £3.2m, of which £1.8m has been raised to date, as detailed in note 20.

Strategic Delivery Fund

The Trustees have agreed to designate funds in support of the delivery of the charity's strategic aims with regular review and monitoring. These projects will support digital transformation, operational efficiencies with strengthened governance as well as our staff through development and EDI over the next 2-3 years, as summarised below:

	£'000
New Build Transition and Capital Appeal	295
New Ambition Voluntary Income Growth	350
Sussex Collaboration	93
Electronic Patient Record System	215
Digital Transformation Projects	147
IT Infrastructure Investment	172
Quality Improvements	15
HR - Management Development and EDI Agenda	50
	1,337

Given the financial uncertainty in the year, all non-essential spend was put on hold with £0.6m of designated expenditure paused. Acknowledging this and in support of future forecast spend, the Trustees agreed to transfer £450k of unrestricted funds to designated funds providing the identified total of £1.3m.

22 Analysis of Group Net Assets between Funds

	Unrestricted	Restricted	Total Funds 2021	Unrestricted	Restricted	Total Funds 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible Fixed Assets	1,751	1,000	2,751	1,798	1,078	2,876
Construction in Progress - Pease Pottage	0	1,235	1,235	0	807	807
Fixed Asset Investments	12,065	1,000	13,065	14,862	1,000	15,862
Current Asset Investments	3,765	0	3,765	263	0	263
Other Current Assets	4,054	926	4,980	3,188	1,209	4,397
Current Liabilities	(385)	0	(385)	(724)	0	(724)
Provisions	(136)	0	(136)	(161)	0	(161)
	21,114	4,161	25,275	19,226	4,094	23,320

23 Members of the Hospice

As at 31 March 2021 there were 52 members (2020: 52) of the company who are required to contribute £1 each in the event of the company being wound up.

Supporting Notes to Financial Statements

24 Operating Lease Commitments

At 31 March 2021 the group was committed to make the following payments in respect of operating leases:

	2021 £'000	2020 £'000
Land & Buildings		
Amounts due within One Year	320	358
Amounts due in Two to Five Years	1,008	961
Amounts due in over Five Years	410	493
Other		
Amounts due within One Year	18	27
Amounts due in Two to Five Years	27	60
	1,783	1,899

Payments under operating leases are recognised as expenditure as they fall due. No provision has been made for future commitments.

25 Cashflows

	2021 £'000	2020 £'000
a) Net Income / (Expenditure) for the Reporting Period	1,955	669
Adjust for:		
Depreciation	181	215
(Gains) / Losses on Sale of Assets	(1)	0
Non Cash Donations (Shares, Land & Property)	(49)	(95)
(Increase) / Decrease in Investments	2,797	(319)
(Increase) / Decrease in Stocks	1	2
(Increase) / Decrease in Debtors	0	196
Increase / (Decrease) in Provisions	(25)	(26)
Increase / (Decrease) in Creditors	(347)	139
Net Cash provided by / (used in) Operating Activities	4,512	783

b) Analysis of Cash & Cash Equivalents

	2021 £'000	2020 £'000
Cash in Hand	3,706	3,130
Notice Deposits (less than 3 Months)	3,765	263
Total Cash & Cash Equivalents	7,471	3,393

26 Capital Commitments

The charity has entered into capital commitments of £500,000 in respect of initial scope of works to agree the design and build programme for the new hospice, to RIBA Stage 4, with Barnes the approved contractor. The agreement of the formal contract will be executed with the full capital commitment of an estimated £13,500,000.

27 SOFA prior Year Comparatives

	Note	Restricted £'000's	Designated £'000's	Unrestricted £'000's	Total Funds 2019/20 £'000's	Total Funds 2018/19 £'000's
Income						
Donations & Legacies						
Donations		79	0	1,956	2,035	1,877
Legacies		126	0	1,137	1,263	1,352
Other Grants		32	0	111	143	175
Donations in Kind		0	0	0	0	1,000
Capital Appeal - Pease Pottage		1,110	0	0	1,110	552
		<u>1,347</u>	<u>0</u>	<u>3,204</u>	<u>4,551</u>	<u>4,956</u>
Charitable Activities						
NHS Contracts & Grants		0	0	4,433	4,433	3,666
Education		0	0	18	18	20
	2	<u>0</u>	<u>0</u>	<u>4,451</u>	<u>4,451</u>	<u>3,686</u>
Trading Activities						
Shops		0	0	1,343	1,343	1,528
Lottery		0	0	880	880	860
Fundraising Events		19	0	702	721	1,110
		<u>19</u>	<u>0</u>	<u>2,925</u>	<u>2,944</u>	<u>3,498</u>
Investments						
	3	0	0	214	214	239
Other Income						
		29	0	313	342	60
Total Income		1,395	0	11,107	12,502	12,439
Expenditure						
Raising Funds						
Donations & Legacies		0	20	1,389	1,409	1,093
Fundraising Events		0	4	434	438	579
Retail Shops		0	30	1,882	1,912	1,327
Lottery Costs		0	4	296	300	186
Capital Appeal - Pease Pottage		0	126	0	126	308
Investment Management		0	0	48	48	44
		<u>0</u>	<u>184</u>	<u>4,049</u>	<u>4,233</u>	<u>3,537</u>
Charitable Activities						
Inpatient Services		0	36	3,375	3,411	3,215
Community Services		0	36	2,734	2,770	2,776
Wellbeing Services		133	16	967	1,116	805
Education		0	5	371	376	306
		<u>133</u>	<u>93</u>	<u>7,447</u>	<u>7,673</u>	<u>7,102</u>
Total Expenditure	5	133	277	11,496	11,906	10,639
Net Income / (Expenditure) on Operational Activities						
		1,262	(277)	(389)	596	1,800
Net Gains / (Losses) on Investments	12, 13	0	0	73	73	258
Net Income / (Expenditure) for the Year	6	1,262	(277)	(316)	669	2,058
Transfer Between Funds	17, 18		388	(388)	0	0
Net Movement In Funds		1,262	111	(704)	669	2,058
Funds B/F as at 1st April		2,832	11,810	8,009	22,651	20,593
Funds Carried Forward as at 31st March		4,094	11,921	7,305	23,320	22,651

28 Note 6 Expenditure – prior year

a. Expenditure

	Direct Costs £000's	Support Costs £000's	Depreciation £000's	Total 2020 £000's	Total 2019 £000's
Raising Funds					
Donations & Legacies	1,012	375	22	1,409	1,093
Fundraising Events	274	160	4	438	579
Retail Shops	1336	552	24	1,912	1,327
Lottery Costs	168	130	2	300	186
Full Circle Appeal - Pease Pottage	126	0	0	126	308
Investment Management	48	0	0	48	44
	2,964	1,217	52	4,233	3,537
Charitable Activities					
Inpatient Services	2,729	632	50	3,411	3,215
Community Services	2,163	562	45	2,770	2,776
Wellbeing Services	767	328	21	1,116	805
Education	283	89	4	376	306
	5,942	1,611	120	7,673	7,102
	8,906	2,828	172	11,906	10,639

b. Analysis of Support Costs

	Facilities & Hospitality £000's	Support Services £000's	Corporate Comms £000's	Governance £000's	Support Costs Total £000's
Raising Funds					
Donations & Legacies	65	237	56	17	375
Fundraising Events	65	55	35	5	160
Retail Shops	145	347	35	25	552
Lottery Costs	58	46	23	3	130
Full Circle Appeal - Pease Pottage	0	0	0	0	0
Investment Management	0	0	0	0	0
	333	685	149	50	1,217
Charitable Activities					
Inpatient Services	167	420	17	28	632
Community Services	87	429	17	29	562
Wellbeing Services	116	182	17	13	328
Education	22	55	8	4	89
	392	1,086	59	74	1,611
	725	1,771	208	124	2,828

29 Note 20 Restricted Funds - prior year

	Balance 1 April 2019	Income in Year	Expenditure in Year	Transfers In / (Out)	Balance 31 March 2020
Foundation Fund	0	10	3	0	7
Inpatient Services	23	10	8	0	25
Community Services	0	20	0	0	20
Wellbeing Services	39	168	17	0	190
Education	43	29	44	0	28
Capital & Equipment	118	36	41	0	113
Other	32	13	21	0	24
Total Operational Funds	255	286	134	0	407
Donations in Kind	1,000	0	0	0	1,000
New Horizons Donation to New Build	1,000	0	0	0	1,000
Capital Appeal - Pease Pottage	577	1,110	0	0	1,687
Total Funds	2,832	1,396	134	0	4,094

30 Note 21 Unrestricted Funds - Prior Year

	Balance 1 April 2019	Income in Year	Expenditure in Year	Gain / (Loss) on Investments in Year	Transfers In / (Out)	Balance 31 March 2020
Designated Funds						
Shemeld Legacy Capital	10,312	0	0	0	688	11,000
Strategic Delivery	1,498	0	277	0	(300)	921
Total Designated Funds	11,810	0	277	0	388	11,921
General Funds	8,009	11,107	11,496	73	(388)	7,305
Total Unrestricted Funds	19,819	11,107	11,773	73	0	19,226

31 Note 22 Analysis of Group Net Assets between Funds - Prior Year

	Unrestricted £'000	Restricted £'000	Total Funds 2020 £'000	Unrestricted £'000	Restricted £'000	Total Funds 2019 £'000
Tangible Fixed Assets	1,798	1,078	2,876	1,818	1,087	2,905
Construction in Progress - Pease Pottage	0	807	807	0	410	410
Fixed Asset Investments	14,862	1,000	15,862	15,013	441	15,454
Current Asset Investments	263	0	263	92	0	92
Other Current Assets	3,188	1,209	4,397	3,668	894	4,562
Current Liabilities	(724)		(724)	(585)	0	(585)
Provisions	(161)		(161)	(187)	0	(187)
	19,226	4,094	23,320	19,819	2,832	22,651