

Company Registration No. 01776496 (England and Wales)
Registered Charity No. 288462

St Michael's Hospice Hastings and Rother

**Report of the Trustees and consolidated financial statements
for the year ended 31 March 2024**

St Michael's Hospice Hastings and Rother

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St Michael's Hospice Hastings and Rother

Reference and administrative information

Company information

St Michael's Hospice Hastings and Rother, a registered charity and a company limited by guarantee, was established on 8 December 1983 and formally opened its service in April 1987. Its Articles of Association were last revised and agreed on 27 January 2012.

The Trustees of the charity (who are also Directors of the company) are drawn from the local community. The Chair will be recruited from the local community in the event that they are not elected by the Trustees from amongst those on the Board.

Board of Trustees	Susan Munroe	(Chair)
	Tony Boardman	
	Ian Crick	(appointed on 01 April 2024)
	Simon Davis	
	Kerry Gentleman	(Vice Chair)
	Nigel Kirby-Green	
	Geoff Longmire	
	Ian Menzies	
	David Rogers	(appointed on 27 August 2024)
	Magnus Spence	(appointed on 30 May 2023)
	Linda Stevens	(Vice Chair)
Company Secretary	James Thomas	(resigned on 18 June 2024)
	Andrew Watson	(appointed on 27 August 2024)
Company Secretary	Darren Mackenzie	
Chief Executive	Dr Karen Clarke	
Leadership Team	Darren Mackenzie	Finance and IT Director
	Dr David Barclay	Medical Director
	Perdita Chamberlain	Income Generation Director
	Evelyn Prodger	Clinical Services Director
	Caroline White	Organisational Development Director

St Michael's Hospice Hastings and Rother

Reference and administrative information (continued)

Registered information

Registered charity name	St Michael's Hospice Hastings and Rother
Charity number	288462
Company registration number	01776496
Registered office	25 Upper Maze Hill St Leonards on Sea East Sussex TN38 0LB

Professional advisors

Auditors	Saffery LLP Chartered Accountants 71 Queen Victoria Street London EC4V 4BE
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Bankers	Lloyds Bank Plc 17 Wellington Place Hastings East Sussex TN34 1NX
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Solicitors	Gaby Hardwicke 34 Wellington Square Hastings East Sussex TN34 1PN
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Investment advisors	Rathbone Investment Management 8 Finsbury Circus London EC2M 7AZ Brewin Dolphin 12 Smithfield Street London EC1A 9LA
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St Michael's Hospice Hastings and Rother

Report of the Trustees and strategic report (continued) For the year ended 31 March 2024

The Trustees present their report and accounts for the year ended 31 March 2024 including the Strategic Report for the company.

These accounts comply with the charity's governing document, which states that the charity's objective is to promote the relief of sickness, the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and with the Charities SORP (FRS 102).

St Michael's Hospice is regulated by the Care Quality Commission (CQC) which is the independent regulator of all health and social care services in England.

1. OBJECTIVES AND ACTIVITIES

1.1. Purpose of the charity as set out in the governing document

The charity was established to "promote the relief of sickness in such ways as the Trustees shall from time to time think fit and, in particular (but without prejudice to the generality of the foregoing), to provide services so as to support the physical, psychological, social and spiritual needs of those affected by life-limiting illnesses."

1.2. Main activities of the charity undertaken in relation to those purposes

The overall aim of St Michael's Hospice is to enable people (over the age of eighteen) living with serious, advanced illness to live as fully as possible and to provide compassionate, expert care at the end of life. The service adopts an interdisciplinary approach and works collaboratively with NHS services in primary, secondary and tertiary care, continuing healthcare, adult social care and with private and voluntary providers.

The Hospice team acts as a resource to provide specialist advice and support to the wider primary care locality. Its aim is to:

- provide specialist and integrated palliative and end of life care and support to the population of Hastings and Rother irrespective of their diagnosis
- provide specialist and holistic support to family members and carers of people living with an advanced, serious illness to enable them to remain as resilient and independent as possible
- ensure that patients and their families or carers receive appropriate information, treatment and support to help manage their illness and the effect of their illness on their wellbeing
- ensure that patients and their families and carers have knowledge and choice regarding how their support and care is delivered.
- ensure that patients' preference as to how they are cared for and die are obtained and recorded, and where possible, achieved
- provide specialist support to people who are bereaved.

The Hospice accepts referrals from any health practitioner and also self-referrals, which are discussed with the GP. The inter-disciplinary team provides high quality holistic palliative and end of life care, enhancing the quality of life for patients nearing the end of their lives and supporting family members and carers. This includes:

- specialist symptom control – to keep patients as comfortable and well as possible
- holistic emotional, social, spiritual and practical support – to make sense of and cope with living with or supporting someone with a life limiting illness.

St Michael's Hospice Hastings and Rother

Report of the Trustees and strategic report (continued) For the year ended 31 March 2024

- rehabilitation - to optimise patients' independence and participation in activities meaningful to them
- in-patient facilities
- 24/7 telephone advice and support for patients, families and health professionals
- respectful and effective working with other relevant primary, secondary, tertiary health and social care providers to ensure maximum continuity and seamless support for patients nearing the end of life and their families
- supporting people to be cared for in their preferred place of care whenever possible and in line with their needs
- ensuring patients in receipt of care are treated with dignity and respect and that their individual needs and preferences are acknowledged
- support from trained volunteers
- expert bereavement support.

Support and care are highly specialised, individualised and delivered by skilled members of an inter-disciplinary team including consultants in palliative medicine, specialist doctors, nurses, health care and wellbeing assistants, therapists, social workers, spiritual support leads and a pharmacist who works in accordance with professional codes of practice (where applicable) legal and ethical principles.

The Hospice provides palliative care training and support to health and social care professionals and nursing homes.

1.3. Main activities undertaken to further the charity's purposes for the public benefit

The charity serves a population of c190k living in Hastings and Rother. All the activities undertaken by the charity are to further its charitable purposes for the benefit of the people living within its catchment area and all services are provided free of charge.

Much of the charity's funding comes from local individuals and organisations and most of its beneficiaries are predominantly, but not exclusively, drawn from Hastings and Rother. Services are also available for those who have not been resident locally but need support, e.g. someone who has moved into the area to be closer to their family.

The Trustees have considered the Charity Commission's guidance on public benefit and can confirm that the charity's activity does deliver public benefit. The main benefits that have arisen throughout the year are detailed in the following pages.

1.4. Aims, details of issues the charity seeks to tackle, changes or differences it seeks to make

Through the services it provides, the training it delivers and numerous fundraising activities, the Hospice aims to raise awareness of, and support the end of life and bereavement needs of those living in the local area.

1.5. How achievement of aims will further the charity's legal purposes

Providing Hospice care directly fulfils the charity's legal aim of promoting the relief of sickness by supporting the physical, psychological, social and spiritual needs of those affected by life-limiting

illness. In addition, it provides holistic emotional and spiritual support to make sense of and cope with supporting someone with a life-limiting illness.

Providing education and training to other health and social care professionals is indirectly fulfilling the charity's aim of promoting the relief of sickness. Encouraging people to engage in fundraising activities is a way of enabling them to do something positive in someone's memory as well as raising awareness and support for the charity. This therefore indirectly fulfils the charity's aim of promoting relief of sickness.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

2.1. Governing document

St Michael's Hospice Hastings and Rother is a company limited by guarantee and registered with Companies House. Its Articles of Association were last revised and agreed on 27 January 2012. The Trustees of the Charity (who are also Directors of the Company) are drawn from the local community.

2.2. Organisational structure

During the year 2023/24, the Board met formally six times. Additionally, it held two strategy days both focused on plans to build a new Hospice. The Clinical Governance Committee and the Governance, Audit and Risk Committee met six times. The People Committee met three times and the Finance Committee, and the Fundraising Strategy Committee both met twice.

The Chief Executive is appointed by the Board of Trustees to manage the day-to-day operations of the charity. The Board seeks to ensure that all the charity's activities are within its charitable objectives and its responsibilities include setting the strategic direction and approving the business plan and budgets. The Chief Executive and the Leadership Team attend and present information at each formal Board meeting to enable effective decision-making and ensure open and transparent communications.

St Michael's Hospice Hastings and Rother has two wholly owned subsidiary companies, one for its lottery and another for its retail business. The Boards of these companies meet four times a year to scrutinise the operation of these businesses and explore opportunities to increase their income. They also held strategy days within the year.

2.3. Recruitment and appointment of Trustees

The Articles of Association state that there must be a minimum of four and a maximum of fifteen Trustees. The initial appointment of Trustees is for a period of three years followed by a second term of three years. Thereafter, the position is reviewed annually up to the maximum of nine years. The Board of Trustees has delegated responsibility for succession planning, recruitment and induction of Trustees to the Governance, Audit and Risk Committee who then make recommendations to appoint to the Board. The skills of existing Board members are assessed and where a skills gap exists, advertising will take place using the most cost-effective method for the skills being sought whilst ensuring a wide, diverse audience is reached. Members of the Governance, Audit and Risk Committee will then interview candidates who meet the selection criteria. Once appointed, all new Trustees undertake an induction programme specific to their needs.

James Thomas resigned on 18 June 2024. The following appointments were made at General Meetings:

St Michael's Hospice Hastings and Rother

Report of the Trustees and strategic report (continued) For the year ended 31 March 2024

30 th May 2023	Magnus Spence was appointed as Trustee
19 th September 2023	Susan Munroe was reappointed as Chairman
5 th October 2023	Ian Crick was appointed as Trustee with effect from April 2024.
30 th January 2024	Nigel Kirby-Green was reappointed as Trustee
27 th August 2024	David Rogers was appointed as Trustee
27 th August 2024	Andrew Watson was appointed as Trustee

The Trustees who served during the year are shown below and their membership of a sub-committee is indicated using the following key:

- ⌘ Clinical Governance Committee
- ♦ Finance Committee
- Ω Fundraising Strategy Committee
- ♠ Governance, Audit and Risk Committee
- ♪ People Committee
- ✕ Nominations Committee

Tony Boardman Ω
Simon Davis ♦ Ω ♫ ✕
Kerry Gentlemen ⌘ ♫ ✕
Nigel Kirby-Green ♠
Geoff Longmire ♦ Ω
Ian Menzies ♦ ♠ ✕
Susan Munroe ♫ ✕
Linda Stevens ♠ ♦ ♫ ✕
James Thomas ♠
Magnus Spence
Ian Crick

2.4. Remuneration for key management personnel

The Trustees consider that the Trustees and the Leadership Team comprise the key management individuals of the charity responsible for directing, controlling and operating the charity on a day-to-day basis. All Trustees give their time freely and received no remuneration within the year.

The Hospice directly employs medical consultants, doctors, nurses and other allied healthcare professionals, who are paid at a rate aligned with the relevant national scale. The Leadership Team remuneration is reviewed annually by the People Committee as part of the annual budget cycle where inflation, other hospices and NHS increases are taken into consideration. The Hospice also takes part in salary surveys and benchmarks against a range of peers.

3. STRATEGIC REPORT

Introduction from the Chief Executive Officer

I am delighted to present the 2023/24 Annual Report. During this year we progressed our Hospice strategy based upon the principles of a public health palliative care approach and focused on supporting the community of Hastings and Rother to live well with dying, death and loss. In total over 2,100 people received Hospice support last year, 20% of whom accessed bereavement support.

Through engagement with our team and external partners, we have developed a new clinical strategy for implementation in 2024/25. The goal is to ensure that by working in partnership, we will prioritise the unique needs, values and preferences of every individual empowering them to actively participate in their care and make informed decisions.

Complementing our clinical services is our compassionate communities strategy which aims to listen to, enable, energise and empower communities. Dying, death and loss are marginalising experiences; as lack of mobility, the burden of care and associated poor mental health increases, connection to established networks decreases. Our goal is to help build those networks of support across our community to tackle loneliness and isolation for those living with advanced illness, caring for someone, or coming to terms with the death of someone important to them.

The financial landscape continues to be challenging with a 31% NHS contribution to our overall running costs. In the Health and Social Care Act 2022, there is a statutory requirement for NHS Integrated Care Boards (ICB) to commission palliative and end of life care (PEoLC). The Sussex hospices are working together with the Sussex ICB to achieve what we hope will be a more equitable and sustainable approach to NHS funding and investment in hospice care in the future.

This will be particularly important to St Michael's Hospice as we embark on an ambitious project to build a new Hospice. Parts of the Hospice building are now over 160 years old and while the building remains safe and patient comfort is prioritised, it is increasingly difficult to create the environment the Hospice wants and needs for patients, their families and friends, the wider community, and the workforce. We have spent time putting the project governance arrangements in place and appointing the project team for the programme to start in earnest in April 2024.

The Hospice holds a special place in our local community, and it is only through the extraordinary support of our volunteers and supporters - who give their time, resources and money, that we can continue to fulfil our strategic objectives. We are deeply grateful and hope they know how much we value them.

As I look back across the year, I feel very privileged to be the Chief Executive of such an aspirational organisation whose people are dedicated and passionate about providing and facilitating high quality care and support to patients and their families.

Dr Karen Clarke
Chief Executive

Report of the Trustees and strategic report (continued)
For the year ended 31 March 2024

3.1. Achievements in the year 2023/24

In 2023/24 the Hospice developed several key strategies to support its vision, mission and values:

- Clinical strategy
- Clinical Education strategy
- Organisational Development strategy
- Retail strategy
- Marketing and Communications strategy
- Data, Systems and Insight strategy
- Compassionate Communities strategy
- Fundraising strategy

Our vision

A kind, resilient and empowered community that is ready, willing, capable and confident to support people living with dying, death and loss.

Our strategy

We have an ambitious strategy; to become a centre of excellence for palliative care provision, education and research and to create a compassionate community which supports each other in dying, death and loss. We believe that our community is rich in assets and that with engagement, education and support from the Hospice these can be harnessed to impact better end of life for all. Alongside being a provider of specialist palliative care, we will adopt and embed a public health approach to palliative care as an equally important aspect of our core business. This is an innovative approach founded on principles of partnership and collaboration with the people we serve and those closest to them, our generalist palliative care partners, with neighbourhoods, community organisations and with civic institutions. To achieve our vision we will:

- a. Provide high quality specialist palliative and end of life care;
- b. Understand, educate and collaborate with health and social care partners;
- c. Listen to, enable, energise and empower communities;
- d. Influence, support and advise civic institutions, such as schools, workplaces, local councils and cultural or faith organisations.

We see St Michael's Hospice as an influencer and that through investment in community development we have a unique vehicle to shape both the dialogue and experience of dying, death and loss in our communities. The ethos of one united team extends to all areas of the Hospice and is key to our strategy; working together as one team to achieve our vision and mission.

Our Hospice shops will have an integral role to play in being the "face" of the Hospice in local neighbourhoods and providing facilities to enable people to receive our services closer to where they live. Our Lottery Collectors are already playing a significant role in connecting people with the Hospice and reducing social isolation across our catchment areas.

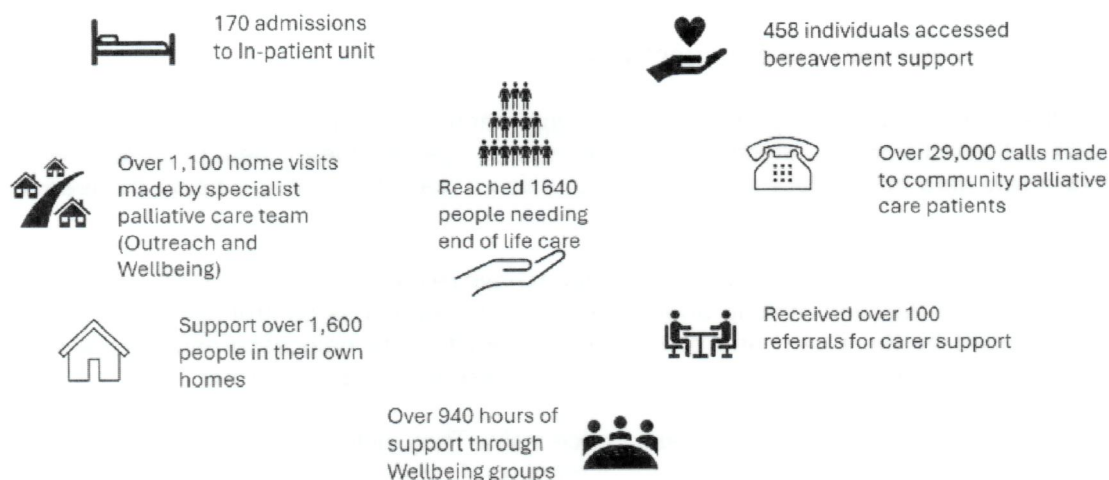
The following section highlights some of the key achievements in 2023/24

3.1.1. Increase clinical reach

In 2023/24 the range and volume of community contacts increased as part of planned transformation work. Bereavement counselling waiting times were significantly reduced due to the introduction of more group bereavement counselling. The total number of people supported across all hospice services can be seen in the graphic below.

St Michael's Hospice Hastings and Rother

Report of the Trustees and strategic report (continued) For the year ended 31 March 2024



Hastings has one of the highest rates of deprivation in England. Steady progress has been made in collecting demographic information on patients referred to enable the Hospice to make comparisons with population data and identify areas where development work is needed. This work will continue in 2024/25 and has been incorporated into the operational work underpinning the Clinical Strategy which was developed across 2023/24 and went live in April 2024.

Work commenced with the data and insight team to ensure data regarding clinical activity is well defined and to support the development of meaningful dashboards for all areas of the Hospice which can be shared with the teams monthly.

Collaboration between St Michaels Hospice (SMH) and two other Sussex hospices has led to the pilot of Hospice Line. The first stage of the pilot was to trial if a Clinical Nurse Specialist (CNS) from one hospice could support patients from the other two hospices remotely. Calls taken at the patient's home hospice were escalated to the CNS where their specialist input was required. 98% of calls were successfully managed, the remaining 2% required additional input not related to the pilot. Over the 15 weekends 18 patients avoided admission to hospital.

Hospice Consultants continue to in-reach into the East Sussex Healthcare NHS Trust (ESHT) through the Conquest Hospital.

The Compassionate Communities progressed its work with three interconnected workstreams:

- (i) clinical services that support a compassionate community agenda
- (ii) Hospice-led initiatives that augment or pump prime compassion within a community
- (iii) working with the community using an asset-based community development (ABCD) approach.

As part of (ii) the Hospice holds Saturday Socials and Thursday Coffee Stops designed to reduce loneliness and social isolation. In the year they had 963 and 508 attendances respectively. These initiatives are supported by community volunteers giving 2885 hours of their time and a further 81 volunteers were engaged in befriending 130 patients. Of these beneficiaries, 90% reported a reduction in feelings of loneliness and isolation, 93% reported an increase in their wellbeing. Our

Report of the Trustees and strategic report (continued)
For the year ended 31 March 2024

volunteers themselves reported 94% increase in their connectedness to community as well as 92% increase in their awareness of dying, death and loss.

3.1.2. Improve and demonstrate our effectiveness

2023/24 saw the Hospice take a leap forward with its approach to data and insight. Changes to the way data was extracted from the electronic patient records system, meant new processes were needed to turn raw data into a data story, and also utilise a 'calculate once, employ as needed' approach.

Power BI applications and new skills within the data team have revolutionised how data is presented to allow for data-driven decision making and insight. Statistical process control (SPC) charts are beginning to be used by the Board and governance committees to gain assurance, as well as insight, and the management team are looking to exploit these for decision-making.

During 2023/24 six Trustees led face to face assurance visits. They included attendance at the daily referrals meeting, Infection Prevention and Control meeting, Community Interdisciplinary meeting, and the Clinical Governance Committee.

Trustees had opportunities to meet and speak with employees from across the Hospice enabling them to learn more about individuals, their roles and the work teams are undertaking. All Care Quality Commission (CQC) key lines of enquiry were considered across the Trustee assurance visits. Following a review of Trustee visits in January 2024, the frequency of visits will reduce to four in 2024/25 and the format of the day will change to ensure a sustained focus on CQC quality statements as well as regulation whilst allowing for wider Hospice team involvement.

Some of the survey feedback Trustees gave regarding what they found useful about the visits included:

- *Learning about different parts of the organisation.*
- *Being able to ask questions of grass roots staff encouraging openness and honesty*
- *To update my knowledge of the operational aspects of the hospice*
- *Face to face meetings with our employees and volunteers with some structured discussion which has the flexibility for free ranging discussion as well. This has double impact; 1 it provides Trustees with information for assurance and 2 it gives Trustees visibility within the organisation and helps understanding of our role.*
- *Focus on areas where change is taking place is also very useful.*
- *Getting to understand the breadth of the services we provide, and getting time with the people delivering them*
- *I think the people I've met over the two visits all presented themselves and the work of the hospice very professionally, considering it must feel a bit intimidating. I've especially enjoyed it when there have been a couple of people to meet at the same time, since it allows it to be a bit more relaxing and supportive.*

The new CQC model has now been implemented with the South East region being the first area inspected using this model. The Associate Director - Clinical Improvement, Education & Research has held CQC awareness sessions for the whole Hospice including trustees, which have been well received & encouraged non-clinical staff to think about their roles in providing CQC evidence. The Clinical Services Director / Registered Manager & Associate Director Clinical Improvement, Education & Research are using their networks with other hospices across the region to help understand what the differences are between the old and new CQC framework.

Regrettably, there are times when the Hospice's services do not meet the expectations of its service users and in 2023/24 there were 15 formal complaints with a further 32 concerns or informal complaints raised. A thorough investigation is undertaken into all complaints and a written response provided to the complainant within 20 days.

75% of the formal and informal complaints received related to clinical care or support with the main areas highlighting issues with communication, responsiveness of the service, and lack of care and support. Clinical complaints are discussed at Clinical Governance Committee and the Board. Feedback is shared with team members to increase understanding of the impact of a poor experience on patients and families. Lessons learnt and recommendations from the investigations into the complaints inform the Hospice's education, audit and quality improvement priorities. A review of how complaints are managed was carried out and new processes will be in place from April 2024 to ensure learning is maximised.

In response to feedback we continue to:

- Improve communication skills within the teams through education and observation of practice
- Work closely with external organisations to improve communication and the experience of patients and families
- Gather carer experience - the Voices survey has been launched to help achieve this
- Review discharge processes on the In-Patient Unit
- Ensure the website has up to date information about services.

Other complaints related to Income Generation activities and facilities at Hospice sites. Fortunately, as these were relatively few in number, there were no trends or underlying issues identified.

Digital transformation remains a key priority and in 2023/24 there was further development of the Hospice electronic patient records system SystmOne to enable sharing of records across other healthcare partners.

There has been an expansion of the use of a cloud-based telephony system to support the Hospice's on call process for out of hours and to support the Hospice Line initiative.

Work to improve effectiveness and to support and develop the workforce has continued through the collaboration that exists across the seven adult Sussex hospices.

The collaborative's leadership and management development programme "THRIVE" continues to receive positive feedback with five cohorts of managers across five hospices (n=80) who have now completed the programme. Two further cohorts will be delivered in 2024/25.

3.1.3. Develop and value our people

There has been a change to the Extended Leadership Team (ELT), with the introduction of a Deputy Chief Executive Officer (CEO) role to support the CEO in the day-to-day oversight of the Hospice. This change has been prompted by the decision to build a new Hospice by 2030. The Capital Project will be led by the CEO with support from the Associate Director of Capital Project, Communications and Marketing

Year three of the Organisational Development Strategy has delivered some key areas of improvement some of which are highlighted below.

St Michael's Hospice Hastings and Rother

Report of the Trustees and strategic report (continued) For the year ended 31 March 2024

The Hospice continues to be committed to offering career development opportunities and was delighted to appoint a Nurse Associate who had completed their training with the Hospice. There are a further two Nurse Associates in the pipeline who will complete their training in 2024/25. Despite national nursing shortages, newly qualified nurses and those from other specialities, including a paramedic have been successfully recruited and supported through their induction period, and beyond via a preceptorship programme. An Associate Clinical Nurse Specialist (ACNS) role was developed in 2022/23 and both ACNS become Clinical Nurse Specialists (CNS) in 2023/24 following their training and development programme.

The Hospice is also using its apprenticeship levy to support an employee to complete an Occupational Therapy apprenticeship over four years.

A Wellbeing and Supervision Framework was introduced in 2023/24 to include the various elements of support that all employees can access. In January 2024 the Hospice held its first Schwartz Round, a supportive storytelling forum where the workforce can come together to discuss the emotional and social impact of working in the Hospice.

In addition, a Carer's Forum was established to support employees who have personal caring responsibilities outside of work.

The Hospice has been working with Hospice UK to complete the Compassionate Employers Gold award. This is a programme that recognises and supports employees with caring responsibilities, bereavement and terminal illness. Completion of the programme is due in Spring 2024.

Clinical Supervision is available to everyone to ensure the emotional impact of working in a hospice is not detrimental to an individual's wellbeing.

To support the Hospice's work on equality, diversity and inclusion (EDI), the Hospice participated in the NHS Diversity in Healthcare programme to learn more about making a difference to patients and employees either accessing or working in healthcare.

3.1.4. Ensure our long-term sustainability

Expenditure was closely monitored and was within tolerance levels throughout the year. The cost-of-living crisis continued to impact the Hospice's cost base in addition to having an impact on the Hospice's ability to raise funds.

The Hospice continued to share a Finance and Facilities Director with St Wilfrid's Hospice (Eastbourne) and both organisations availed of joint training and launched a new finance system in the year, to enable a streamlining of processes and financial modelling to be consistent.

Gross income for the year was £8.26m and expenditure was £8.07m resulting in a year end surplus of £185k before investment gains.

a) Lottery

The Hospice Lottery activity remains stable, averaging 16,507 players per week during 2023/24. The top prize was increased to £3k for the Spring Special Draw in May 2023 which meant an additional 18,797 tickets were processed, generating additional profit of £12.36k.

There was a significant staff change during the year, with the long-standing Lottery Manager leaving the Hospice. Only two canvassers were available to support with new sign ups,

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however, the membership has remained stable and resulted in an income of £891k and a covenant of £508k to the Hospice.

For every £1 played in the lottery, 56p goes to the Hospice (the legal requirement is to pay at least 20p), 18p goes into the prize fund and 26p covers the administration, promotion, and legal regulation expenditure.

b) Retail and E-Commerce

Through seven shops and e-commerce, the Retail company generated £770,156 in income, an increase of £122,384 from 2022/23, and delivered a profit of £25,149 for the first time since Covid 19. The increase in income was achieved through some key focus areas including:

- Longer opening hours and more trading days
- Introducing a consistent pricing and brand guide in all
- Ensuring teams were equipped and trained to manage and promote Gift Aid sales,
- An increase in recycling income by 15%
- Increase of Retail on the Road activity and the introduction of Mega Sales
- Increased listings on eBay and a focus on "buy it now" listings which increased the quantity sold by 13.8%, the average sale price by 3.7% which has supported an increase in overall sales of 18% on 2022/23 which helped e-commerce exceed budget by 5%

There has also been a focus on volunteer recruitment to support the increase in opening hours and eBay listings with an additional 36 Retail volunteers starting in role in 2023/24, an increase of 17.5%.

Following extensive research to identify the best possible course of action for the operations of the Retail company, the directors reached a conclusion that all the activities currently undertaken by Retail were capable of being carried out directly by the parent charity in furtherance of its charitable objectives.

Effective from 1 April 2024 the charity and Retail merged in accordance with the provisions of a signed Asset Transfer Agreement. The directors of Retail and the charity resolved that Retail will transfer its assets, undertaking and activities together with its obligations and commitments to the charity for the charity to operate the activities of Retail in succession to it.

Once the transfer is completed Retail will become dormant during the financial year 2024/25

c) Sussex Hospices Collaboration

St Michael's Hospice is a member of Hospice UK (HUK), the national charity which exists to support and provide a campaigning voice to hospices across the United Kingdom. This has helped to raise the profile of hospices across government departments and generated some positive results, particularly in relation to raising awareness of the impact of the increasing cost of living on hospices.

The seven adult Sussex Hospices continue to pursue opportunities for collaboration since starting in 2018. Some programmes that are part of the collaboration are referenced in other parts of this report. Since October 2023, the hospices have been working with the Sussex NHS integrated care board (ICB) on proposals to form an alliance. It is hoped that this will be formalised in 2024/25. While each hospice holds fast to its local autonomy and identity, they recognise the benefit of working together to make the most of their knowledge and resources in benefitting patients and families and enhancing our sustainability.

4. FINANCIAL REVIEW

The results for the year are shown in the Statement of Financial Activities. Income totalled £8.26 million (2023 - £7.54 million).

The charity received a grant from Hastings and Rother Clinical Commissioning Group of £2.42 million (2023 - £2.35 million).

Total expenditure was £8.07 million (2023 - £7.49 million) an increase of 7.7%.

The year ended with a surplus before investment movements of £185K (2023 – surplus of £50k).

4.1. Reserves policy

One of the key risks that the charity faces is a fall in its income because of a drop in donated funds. To sustain the organisation's ability to deliver the services it is committed to the Trustees have agreed to maintain financial reserves as they deem necessary to ensure there can be continuity.

Following the decision to build a new hospice by the year 2030 the Trustees have set up a Capital Appeal Fund. The funds are ringfenced with the Trustees aspiring to raise £10m over the 7 year project. The scope of the funds will be finalised in March 2025.

In addition an initial Capital Appeal designated fund of £5 million has been created by transferring the balance on the Strategic Development Fund (£1.9 million) and £3.1 million of the Contingency Fund into the Capital Appeal Fund. The £300k balance on the Contingency Fund has been transferred to the unrestricted General Fund. The balances on the Strategic Development and the Contingency Funds are therefore nil at the year end.

The fixed asset reserve represents the amount of the total reserves that are tied up in tangible fixed assets, mainly freehold property including the Hospice building. As at 31 March 2024, the Consolidated Balance Sheet total was £15.64 million (2023 – £15.35 million).

4.2. Investment Policy and objectives

The charity's investment objective for short-term reserves is to preserve the capital value with a minimum level of risk ensuring that the Hospice is able to meet unanticipated cash flow requirements. Funds treated as short-term would usually be invested only in a mix of short and medium-term deposits.

The investment objective for long-term reserves is to secure a return in excess of inflation, generating an income to support the Hospice's on-going activities. The Hospice has adopted an ethical investment policy to ensure that its investments do not conflict with its aims, and therefore precludes direct or indirect investments in companies that generate revenue from tobacco or arms and those companies whose principal activity is either gambling or pornography.

4.3. Investment performance

At 31 March 2024, the market value of the portfolio was £6.1 million, with an estimated yield of 2.4%.

Members of the Finance and Income Generation Committee review the brief given to the investment managers on an annual basis with regard to the proportion of investments to be held in each asset category, the level of risk which is acceptable and the level of income required.

4.4. Risk management

Risk registers are reviewed by the Leadership Team monthly and by the Governance, Audit and Risk, People and Clinical Governance Committees, on a bi-monthly or quarterly basis, identifying potentially significant risks, assessing their likelihood and impact and agreeing mitigating action. Corporate risks are subsequently reported to the Board at each meeting.

The key risks faced by the charity in 2023/24 as identified in risk registers were:

Nursing workforce shortages: the national shortage of specialist palliative care nurses combined with Brexit and the impact of the pandemic on healthcare workers continued to adversely affect the Hospice, and in particular the community nursing service. Pay for all clinical employees is reviewed annually and benchmarked against equivalent roles in the NHS. The employee assistance programme supports people to get more timely clinical interventions after periods of ill-health and expedites their return to work. Career development pathways continue to be considered and created so that the Hospice is able to develop its own nurses for the future. The Hospice continues to work closely with NHS colleagues to tackle nurse recruitment at system level.

Reputation damage: The Hospice is known as a quality health care provider and its reputation is of vital importance. Changes to service delivery, as a result of workforce shortages, and a reliance on health and social care partners to work collaboratively to provide a seamless, and not duplicated service means there is an increased risk of complaints and reputational damage. Some rebranding of services has taken place to ensure that the public are clear about the Hospice offer and comments and complaints are promptly responded to and investigated to ensure lessons learned are used to improve practice.

Funding: There is a risk that due to the rising cost of living which impacts the Hospice's expenditure and its supporters' ability to donate, the Hospice may be unable to generate sufficient income to ensure the Hospice can operate effectively. A prudent budget has been set for 2024/25 but employment costs alone have increased by 10%. Opportunities to collaborate and share costs are being explored, and new donor stewardship programmes are being implemented.

Risks associated with business continuity, e.g. a major incident, a serious failure in utilities and IT failure due to cyber-attack, virus, breakdown or hacking: Policies and procedures are subject to ongoing review and updating to ensure compliance with best practice and legislation. Vantage-Sentinel continues to provide oversight of the potential risks the charity faces enabling proactive steps to be taken to mitigate these. A new IT team supported by the managed services provider provides monitoring and recommends updates of the IT infrastructure and regular reminders are sent about the potential for phishing and scams.

4.5. Fundraising

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their fundraising activities.

The Hospice is committed to its donors and remains dedicated to treating all donors and supporters with the highest level of care, consideration and respect. The Hospice undertakes fundraising

**Report of the Trustees and strategic report (continued)
For the year ended 31 March 2024**

activity via support from volunteer fundraising in the community, applying to and partnering with companies and grant-giving trusts, direct mailings and appeals and the organising of events. The fundraising environment is very challenging with the challenges of the pandemic now being replaced by the cost of living crisis.

St Michael's Hospice Lottery Limited runs a weekly lottery with the profits of the company being gift aided to the charity. The work of the Lottery Team is regulated by the Gambling Commission.

St Michael's Hospice Hastings and Rother is registered with the Fundraising Regulator and abides by the Regulator's Code of Fundraising Practice and the Fundraising Promise. The Hospice is careful to ensure that it takes all reasonable steps to treat a donor fairly, enabling donors to make an informed decision about any potential donation. The Hospice adopts guidance on best fundraising practice provided by regulatory bodies and will continue to do so as these are updated.

During the year to 31 March 2024, there were no complaints in relation to fundraising regulatory activity.

5. PLANS FOR THE FUTURE

2024/25 will be the third year of the current Hospice strategy. In this year the Hospice plans to do the following:

- a. Provide high quality specialist palliative and end of life care by:
 - Implement a new clinical strategy
 - maximising available bed capacity and developing our community offer
 - using service user feedback from VOICES and Views on Care to inform quality improvements
 - continuing to increase knowledge and understanding of the CQC Single Assessment Framework
- b. Collaborate with health and social care partners by:
 - supporting learning for generalist palliative care colleagues including those in care homes
 - contributing to the pan Sussex education collaboration by providing training for health and social care colleagues
 - develop and grow relationships with new colleagues in the ICB and East Sussex Healthcare Trust
- c. Support compassionate communities by:
 - continuing to implement the compassionate communities strategy
 - implementing work to support carers in any setting
 - delivering the Retail Strategy to ensure the shops are thriving and sustainable businesses that support local communities and signpost to the Hospice
 - implementing the Fundraising strategy and Lottery business plan to generate new income, optimise existing income streams and ensure careful stewardship of supporters to enable more people to be supported
- d. Influence civic institutions by:
 - improving support and workplace provisions for employees who are carers, to achieve Gold Award accreditation as a Hospice UK Compassionate Employers
 - sharing the knowledge gained from this to support other organisations to become Compassionate Employers
 - discovering all the assets that exist within the Hospices catchment area and exploring opportunities to work together to support people living with dying, death and loss

In addition to these strategic priorities the Hospice will continue its EDI work with a focus on ensuring its clinical services are accessible to all irrespective of ethnicity, religion, sexual orientation, care setting etc. The Board and Leadership Team will also be developing plans to build a new hospice for the Hastings and Rother community.

St Michael's Hospice Hastings and Rother

Report of the Trustees and strategic report (continued) For the year ended 31 March 2024

Statement of Trustees' responsibilities

The Trustees (who are also Directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees 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 these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 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.

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

Auditors

Saffery LLP were auditors during the period and their reappointment will be considered at the annual general meeting.

On behalf of the Board



Mrs S C Munroe
Trustee



Opinion

We have audited the financial statements of St Michael's Hospice Hastings and Rother (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the group statement of financial activities, the group and charity balance sheets, the group cash flow statement and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 or the 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.

Independent auditors' report to the members (continued)
For the year ended 31 March 2024

Other information

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

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.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and Strategic Report.

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

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

Independent auditors' report to the members (continued)
For the year ended 31 March 2024

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities on page 18, 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 the 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 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

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Further the group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the group's operations. We identified the most significant laws and regulations to be those issued by the Care Quality Commission covering health care services and those issued by the Gambling Commission covering the requirements for running a lottery.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

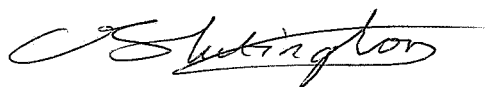
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

St Michael's Hospice Hastings and Rother

Independent auditors' report to the members (continued) For the year ended 31 March 2024

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turlington (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Saffery LLP
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

18 November 2024

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

St Michael's Hospice Hastings and Rother

Consolidated statement of financial activities (incorporating an income and expenditure account) For the year ended 31 March 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
Income and endowments from					
Donations and legacies	3	3,548,772	140,948	3,689,720	3,003,999
Charitable activities					
Hospice services	6	2,426,166	-	2,426,166	2,356,176
Subsidiaries' trading activities	4	1,669,835	-	1,669,835	1,538,914
Other trading activities	4	308,113	-	308,113	503,736
Investment income	5	161,693	-	161,693	141,316
Total		<u>8,114,579</u>	<u>140,948</u>	<u>8,255,527</u>	<u>7,544,141</u>
Expenditure on					
Raising donations	7	658,291	-	658,291	623,943
Trading companies' costs	7	1,013,316	-	1,013,316	967,089
Charitable activities					
Hospice services	8	6,247,135	151,619	6,398,754	5,903,165
Total		<u>7,918,742</u>	<u>151,619</u>	<u>8,070,361</u>	<u>7,494,197</u>
Net gain/(loss) on investments	14	101,963	-	101,963	(335,550)
Net income / (expenditure)		297,800	(10,671)	287,129	(285,606)
Transfers between funds	23	-	-	-	-
Net movement in funds		297,800	(10,671)	287,129	(285,606)
Total funds brought forward		<u>15,213,114</u>	<u>138,354</u>	<u>15,351,468</u>	<u>15,637,074</u>
Total funds carried forward	24	<u>15,510,914</u>	<u>127,683</u>	<u>15,638,597</u>	<u>15,351,468</u>

Continuing operations

All incoming resources and resources expended arise from continuing activities.

The notes on pages 29 to 51 form part of these financial statements.

St Michael's Hospice Hastings and Rother

Consolidated and charity balance sheets As at 31 March 2024

		Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Fixed assets					
Tangible assets	16	4,589,783	3,887,165	4,611,320	3,890,691
Investments	17	6,090,927	6,091,028	5,874,291	5,874,392
		10,680,710	9,978,193	10,485,611	9,765,083
Current assets					
Stocks	18	27,781	26,360	25,140	24,163
Debtors	19	399,194	1,606,527	588,142	1,581,540
Cash at bank and in hand		5,030,600	4,611,212	4,572,167	4,398,311
		5,457,575	6,244,099	5,185,449	6,004,014
Creditors: amounts falling due within one year	20	(499,688)	(384,823)	(319,592)	(193,761)
Net current assets		4,957,887	5,859,276	4,865,857	5,810,253
Total assets less current Liabilities		15,638,597	15,837,469	15,351,468	15,575,336
Net assets		15,638,597	15,837,469	15,351,468	15,575,336
Funds	23				
Unrestricted funds		15,510,914	15,709,786	15,213,114	15,436,982
Restricted funds		127,683	127,683	138,354	138,354
Total funds		15,638,597	15,837,469	15,351,468	15,575,336

The total income of the Hospice as an individual entity for the year was £7,728,253 (2023 - £7,058,650) and its net surplus was £262,133 (2023 – deficit of £241,882). A Statement of Financial Activities for the Hospice as an individual entity is not included using the exemption given in section 408 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 31/10/2024 and were signed on its behalf by

Mrs S C Munroe
Trustee

The notes on pages 29 to 51 form part of these financial statements.
Company number 01776496

St Michael's Hospice Hastings and Rother

Consolidated cash flow statement For the year ended 31 March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated/(used) in operations	A	640,732	(126,583)
Net cash generated / (used) in operating activities		640,732	(126,583)
Cash flows from investing activities			
Purchase of tangible fixed assets		(229,317)	(184,387)
Purchase of fixed asset investments		(735,819)	(1,879,708)
Proceeds from sale of fixed assets		-	207,063
Proceeds from sale of investments		825,228	1,324,053
Investment income		161,693	141,316
Net cash generated / (used) in investing activities		21,785	(391,663)
Change in cash and cash equivalents in the reporting period	B	662,517	(518,246)
Cash and cash equivalents at the beginning of the reporting period		4,714,304	5,232,550
Cash and cash equivalents at the end of the reporting period	B	5,376,821	4,714,304

The notes on pages 29 to 51 form part of these financial statements.

St Michael's Hospice Hastings and Rother

Notes to the cash flow statement For the year ended 31 March 2024

A. Reconciliation of net income to net cash flow

	2024 £	2023 £
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	287,129	(285,606)
Adjustments for:		
Depreciation charges	250,627	229,653
(Gains)/Losses on investments	(101,963)	335,550
Loss/(profit) on disposal of fixed assets	229	(153,073)
Investment income	(161,693)	(141,316)
Increase in stocks	(2,641)	(7,914)
Decrease in debtors	188,948	52,358
Increase/(decrease) in creditors	180,096	(156,235)
Net cash inflow/(outflow) from operating activities	640,732	(126,583)

B. Analysis of cash and cash equivalents

	At 31 March 2023 £	Movement £	At 31 March 2024 £
Cash at bank and in hand	4,572,167	458,433	5,030,600
Investment cash	142,137	204,084	346,221
	4,714,304	662,517	5,376,821

St Michael's Hospice Hastings and Rother

Notes to the financial statements For the year ended 31 March 2024

1. Statutory information

St Michael's Hospice Hastings and Rother is a private charitable company limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found in the reference and administrative details in the Report of the Trustees.

2. Accounting policies

2.1 Accounting convention

The financial statements of the charitable company, which is a public benefit entity under FRS 102, and group have been prepared in accordance with the second edition of the Charities SORP (FRS 102) "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)" Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

2.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Given the Charity's financial position, level of reserves and future strategic plans, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

2.3.1 Gifts in kind

Gifts donated for resale are included as income when they are sold. Donated items for use in the Hospice are valued at a reasonable approximation to market value. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

2.3.2 Fees, contributions and grants

These comprise amounts receivable during the year.

2.3.3 Voluntary income

Voluntary income represents amounts received during the year.

2.3.4 Legacies

Reversionary legacies are accounted for on receipt. Pecuniary and residuary legacies are accounted for at the earlier of receipt of the legacy or the point at which the final accounts of the estate are agreed by the charity. In the event that legacies are settled after the accounting year end they are included in the accounts provided the charity was certain of the amounts to be distributed at the balance sheet date.

The hospice has received notification of a number of legacies which have not been included in these accounts because they are not certain in value or certain of receipt.

2.3.5 Investment income

Investment income comprises amounts receivable during the year.

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued)

For the year ended 31 March 2024

2. Accounting policies (continued)

2.3.6 Shop income

Shop income generated by one of the trading subsidiaries represents net invoiced sales of goods, excluding value added tax.

2.3.7 Lottery income

Lottery income generated by one of the trading subsidiaries represents ticket sales received in respect of lotteries held during the year and scratch card sales.

Income from tickets sold in advance of a draw being held is carried forward to the period in which the draw takes place.

2.3.8 Debtors

Income resources recognised in the year but not received at the yearend are included within debtors unless there are doubts as to the estimation of value or likelihood of receipt.

2.4 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal obligation or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where cost cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

2.5 Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

2.6 Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	2% and 10% on cost
Fixtures, fittings and equipment	15% to 33% on cost
Motor vehicles	25% on cost

Where extensions and improvements have been made to freehold property, depreciation has been charged over the remaining life of the underlying property.

No depreciation is provided on freehold land.

2.7 Investments

Listed investments are included at market value at the year end. Gains and losses on disposal and revaluation of investments are charged or credited to the Statement of Financial Activities.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Donated items are not valued until sold. Consequently, no value is attributed to their stock carrying value, as this cannot be determined with certainty until sold.

Notes to the financial statements (continued)
For the year ended 31 March 2024

2. Accounting policies (continued)

2.9 Leasing commitments

Operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

2.10 Taxation

The charity is party to a group registration for VAT purposes and is therefore able to recover some but not all of the VAT the charity incurs. Irrecoverable VAT is charged as a single item in the Statement of Financial Activities.

The charity is exempt from corporation tax on its charitable activities and therefore no provision has been made for either corporation tax or deferred tax.

Where a trading subsidiary is registered for VAT the expenditure is shown exclusive of VAT.

Both trading subsidiaries have entered an agreement to covenant their taxable profits to the parent undertaking and therefore no corporation tax provision is required.

2.11 Fund accounting

In the Trustees' opinion, with certain exceptions, the incoming resources and resources expended are all derived for the benefit of running the Hospice. Therefore, the Trustees choose to classify all income and expenditure as unrestricted. In certain instances, funds may be designated by the Trustees for specific purposes.

Where funds are received for a significant and specific project these are allocated to restricted funds. These funds are then used to meet the capital costs of that specific project by way of an annual depreciation charge set against the restricted fund. Any funds received in excess of the capital requirements of the project will be used to help with the associated future running costs of the project.

Other restricted funds are those funds donated for purposes specified by the donor and these are tracked and expended in accordance with the donors' wishes.

2.12 Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2.13 Critical estimates and judgements

Management have made certain estimates and judgements in the preparation of the financial statements of the Hospice. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from those estimates. The Trustees consider the evaluation of the useful economic life of fixed assets and the future receipt of legacy debtors at the yearend to be the areas of judgement with a significant effect on the financial statements.

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued)

For the year ended 31 March 2024

3. Donations and legacies

	2024 £	2023 £
Donations and gifts	312,239	474,561
In memoriam	161,361	203,137
Regular giving and Gift Aid	86,926	110,237
Legacies	2,971,598	2,092,892
Grants received	157,596	123,172
	<u>3,689,720</u>	<u>3,003,999</u>

4. Trading activities

Trading subsidiaries	2024 £	2023 £
Lottery income	892,177	887,955
Retail income	777,658	650,959
	<u>1,669,835</u>	<u>1,538,914</u>

Other trading activities	2024 £	2023 £
Fundraising events	260,269	316,385
Arthur Easton hall hire	13,140	8,795
Coffee shop and catering	3,947	449
Sundry income	30,757	178,107
	<u>308,113</u>	<u>503,736</u>

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2024

5. Investment income

	2024 £	2023 £
Income from UK listed investments	145,341	122,969
Deposit account interest	10,652	12,647
Rents	5,700	5,700
	<u>161,693</u>	<u>141,316</u>

6. Income from charitable activities

	2024 £	2023 £
Grants	2,423,128	2,354,417
Patient income	<u>3,038</u>	<u>1,759</u>
	<u>2,426,166</u>	<u>2,356,176</u>

Grants from government sources received, included in the above, are as follows:

	2024 £	2023 £
Hastings and Rother ICB	<u>2,423,128</u>	<u>2,354,417</u>

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued)
For the year ended 31 March 2024

7. Raising funds

	Raising donations £	Trading companies' costs £	Total 2024 £
Staff costs	467,065	528,966	996,031
Cost of sales	-	3,147	3,147
Lottery Prizes	-	242,083	242,083
Premises	31,834	92,949	124,783
Depreciation	24,588	17,557	42,145
Other direct costs	134,804	128,614	263,418
	<u>658,291</u>	<u>1,013,316</u>	<u>1,671,607</u>

2023 comparative

	Raising donations £	Trading companies' costs £	Total 2023 £
Staff costs	425,577	466,009	891,586
Cost of sales	-	32,299	32,299
Lottery Prizes	-	235,596	235,596
Premises	26,410	112,052	138,462
Depreciation	19,343	23,233	42,576
Other direct costs	152,613	97,900	250,513
	<u>623,943</u>	<u>967,089</u>	<u>1,591,032</u>

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued)
For the year ended 31 March 2024

8. Charitable activities costs

	Direct costs (Note 9) £	Support costs (Note 10) £	Total 2024 £
Hospice services	5,384,219	895,810	6,280,029
Other	-	118,725	118,725
	<u>5,384,219</u>	<u>1,014,535</u>	<u>6,398,754</u>

2023 comparative

	Direct costs (Note 9) £	Support costs (Note 10) £	Total 2023 £
Hospice services	4,781,541	1,020,872	5,802,413
Other	-	100,752	100,752
	<u>4,781,541</u>	<u>1,121,624</u>	<u>5,903,165</u>

9. Direct costs of charitable activities

	2024 £	2023 £
Staff costs	4,189,623	3,599,491
Clinical costs	352,283	424,268
Training costs	82,052	48,792
Premises	221,060	214,722
Depreciation	170,744	157,268
Other direct costs	368,457	337,000
	<u>5,384,219</u>	<u>4,781,541</u>

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2024

10. Support costs

Support costs are as follows:

	2024 £	2023 £
Staff costs	709,277	851,279
Rates and water	1,694	1,293
Insurance	11,174	8,998
Light and heat	17,237	15,157
Telephone	6,314	5,140
Postage, stationery and IT	62,757	49,376
Sundries	16,548	33,021
Property rental	11,774	9,106
Repairs and maintenance	21,524	17,694
Freehold property depreciation	37,511	29,808
	<u>895,810</u>	<u>1,020,872</u>

Governance costs

	2024 £	2023 £
Bank charges	3,985	7,484
Legal and professional fees	79,278	64,555
Auditors' remuneration	33,062	24,804
Auditors' remuneration in respect of accountancy and other services	2,400	3,909
	<u>118,725</u>	<u>100,752</u>

11. Net income/expenditure

	2024 £	2023 £
Auditors' remuneration for Charity audit		
Current year	17,160	24,804
Prior year	2,902	-
Auditors' remuneration in respect of accountancy and other services, including the audit and accountancy fees of subsidiaries	15,400	3,909
Depreciation	250,627	229,653
Loss/(profit) on disposal of fixed assets	229	(153,073)
	<u></u>	<u></u>

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2024

12. Trustees' remuneration and benefits

There was no Trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

No expenses were reimbursed to any Trustee in the year to 31 March 2024 nor for the year ended 31 March 2023.

13. Staff costs

	2024 £	2023 £
Wages and salaries	4,920,781	4,519,842
Social security costs	457,295	432,175
Other pension costs	364,386	339,246
Temporary, locum and other non-salaried staff costs	29,790	133,757
Other staff costs	20,712	63,044
	<u>5,792,964</u>	<u>5,488,064</u>

The average monthly number of employees (based on head count) during the year was:

	2024 Number	2023 Number
Nursing and medical	88	88
Catering and housekeeping	10	10
Maintenance	11	9
Training	1	1
Fundraising	9	10
Administration	24	25
Bereavement	8	8
Lottery	4	5
Retail	20	19
	<u>175</u>	<u>175</u>

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued)

For the year ended 31 March 2024

13. Staff costs (continued)

The numbers of employees whose emoluments for the year fell within the following bands were:

	2024 Number	2023 Number
£60,000 to £69,999	1	2
£70,000 to £79,999	2	1
£80,000 to £89,999	1	2
£90,000 to £99,999	-	2
£100,000 to £109,999	1	-

The key management personnel comprise members of the Leadership Team. The total employee benefits of the key management personnel of the charity were £494,472 (2023 - £580,642). During the year two member of the key management team resigned from the charity.

14. Gains/(losses) on investments

	2024 £	2023 £
Realised gains	3,722	44,798
Unrealised gains/(losses)	98,241	(380,348)
	101,963	(335,550)

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued)
For the year ended 31 March 2024

15. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Income and endowments from			
Donations and legacies	2,828,404	175,595	3,003,999
Charitable activities			
Hospice services	2,356,176	-	2,356,176
Subsidiaries' trading activities	1,538,914	-	1,538,914
Other trading activities	503,736	-	503,736
Investment income	141,316	-	141,316
Total	7,368,546	175,595	7,544,141
Expenditure on			
Raising donations	623,943	-	623,943
Trading companies' costs	967,089	-	967,089
Charitable activities			
Hospice services	5,665,896	237,269	5,903,165
Total	7,256,928	237,269	7,494,197
Net (losses)/gains on investments	(335,550)	-	(335,550)
Net income	(223,932)	(61,674)	(285,606)
Transfers between funds	-	-	-
Net movement in funds	(223,932)	(61,674)	(285,606)
Reconciliation of funds			
Total funds brought forward	15,437,046	200,028	15,637,074
Total funds carried forward	15,213,114	138,354	15,351,468

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued)

For the year ended 31 March 2024

16. Tangible fixed assets

Group	Freehold property £	Assets under construction £	Fixtures fittings and equipment £	Motor vehicles £	Totals £
Cost					
At 1 April 2023	6,292,331	3,500	1,406,543	135,814	7,838,188
Additions	5,817	138,979	62,351	22,170	229,317
Disposals	(3,025)	-	-	-	(3,025)
Transfers	114,590	(137,479)	22,889		
At 31 March 2024	6,409,713	5,000	1,491,783	157,984	8,064,480
Depreciation					
At 1 April 2023	1,917,447	-	1,179,836	129,585	3,226,868
Charge for year	154,188	-	88,108	8,331	250,627
Eliminated on disposal	(2,798)	-	-	-	(2,798)
At 31 March 2024	2,068,837	-	1,267,944	137,916	3,474,697
Net book value					
At 31 March 2024	4,340,876	5,000	223,839	20,068	4,589,783
At 31 March 2023	4,374,884	3,500	226,707	6,229	4,611,320

Included in freehold property is land of £152,761 (2023 - £152,761) which is not depreciated.

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2024

16. Tangible fixed assets (continued)

Charity	Freehold property £	Assets under construction £	Fixtures fittings and equipment £	Motor vehicles £	Totals £
Cost					
At 1 April 2023	5,326,843	3,500	1,378,974	121,314	6,830,631
Additions	5,817	138,979	62,351	22,170	229,317
Disposals	-	-	-	-	-
Transfers	114,590	(137,479)	22,889	-	-
At 31 March 2024	5,447,250	5,000	1,464,214	143,484	7,059,948
Depreciation					
At 1 April 2023	1,670,972	-	1,153,883	115,085	2,939,940
Charge for year	137,460	-	87,052	8,331	232,843
Eliminated on disposal	-	-	-	-	-
At 31 March 2024	1,808,432	-	1,240,935	123,416	3,172,783
Net book value					
At 31 March 2024	3,638,818	5,000	223,279	20,068	3,887,165
At 31 March 2023	3,655,871	3,500	225,091	6,229	3,890,691

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2024

17. Fixed asset investments

Group		Listed investments £	Cash held for investment £	Totals £
Market value				
At 1 April 2023		5,732,154	142,137	5,874,291
Additions		735,819	-	735,819
Disposals		(821,508)	-	(821,508)
Revaluations		98,241	-	98,241
Cash movement		-	204,084	204,084
At 31 March 2024		5,744,706	346,221	6,090,927
Net book value				
At 31 March 2024		5,744,706	346,221	6,090,927
At 31 March 2023		5,732,154	142,137	5,874,291
Charity	Shares in group undertakings £	Listed investments £	Cash held for investment £	Totals £
Market value				
At 1 April 2023	101	5,732,154	142,137	5,874,392
Additions	-	735,819	-	735,819
Disposals	-	(821,508)	-	(821,508)
Revaluations	-	98,241	-	98,241
Cash movement	-	-	204,084	204,084
At 31 March 2024	101	5,744,706	346,221	6,091,028
Net book value				
At 31 March 2024	101	5,744,706	346,221	6,091,028
At 31 March 2023	101	5,732,154	142,137	5,874,392

There were no investment assets outside the UK.

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2024

17. Fixed asset investments (continued)

Comparative with prior year

Group		Listed investments £	Cash held for investment £	Totals £
Market value				
At 1 April 2022		5,512,049	599,755	6,111,804
Additions		1,879,708	-	1,879,708
Disposals		(1,321,070)	-	(1,321,070)
Revaluations		(338,533)	-	(338,533)
Cash movement		-	(457,618)	(457,618)
At 31 March 2023		5,732,154	142,137	5,874,291
Net book value				
At 31 March 2023		5,732,154	142,137	5,874,291
At 31 March 2022		5,512,049	599,755	6,111,804
Charity	Shares in group undertakings £	Listed investments £	Cash held for investment £	Totals £
Market value				
At 1 April 2022	101	5,512,049	599,755	6,111,905
Additions	-	1,879,708	-	1,879,708
Disposals	-	(1,321,070)	-	(1,321,070)
Revaluations	-	(338,533)	-	(338,533)
Cash movement	-	-	(457,618)	(457,618)
At 31 March 2023	101	5,732,154	142,137	5,874,392
Net book value				
At 31 March 2023	101	5,732,154	142,137	5,874,392
At 31 March 2022	101	5,512,049	599,755	6,111,905

There were no investment assets outside the UK.

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2024

17. Fixed asset investments (continued)

The charity holds 20% or more of the share capital of the following companies:

Company	Country of incorporation	Class	Shares %
St Michael's Hospice (Retail) Limited – 02404963	England & Wales	Ordinary	100%
St Michael's Hospice Lottery Limited – 03351501	England & Wales	Ordinary	100%

St Michael's Hospice (Retail) Limited operates many charity shops. St Michael's Hospice Lottery Limited supports the Hospice through fundraising largely from the operation of a lottery. Both companies covenant their taxable profits to the parent company where possible.

A summary of the result of these undertakings is set out below:

	St Michael's Hospice (Retail) Limited		St Michael's Hospice Lottery Limited	
	2024 £	2023 £	2024 £	2023 £
Turnover	770,156	647,772	890,776	887,955
Cost of sales	(3,147)	(32,299)	(242,083)	(235,596)
Gross profit	767,009	615,473	648,693	652,359
Administrative expenses	(696,110)	(629,034)	(142,242)	(134,446)
Other income	7,500	3,187	-	-
Interest payable	(53,250)	(23,430)	-	-
Interest receivable	-	-	1,402	-
Net profit/(loss)	25,149	(33,804)	507,853	517,913
Assets – fixed and current	1,015,782	786,813	129,842	120,124
Liabilities	(1,214,477)	(1,010,657)	(129,768)	(120,050)
	(198,695)	(223,844)	74	74
Share capital	100	100	1	1
Retained reserves	(198,795)	(223,944)	73	73
	(198,695)	(223,844)	74	74

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2024

18. Stocks

Group	2024 £	2023 £
Stocks	27,781	25,140
Charity	2024 £	2023 £
Stocks	26,360	24,163

19. Debtors

Group: Amounts falling due within one year

	2024 £	2023 £
Trade debtors	13,795	46,692
Other debtors and prepayments	169,362	130,555
VAT	50,106	51,158
Accrued income receivable	165,931	359,737
	399,194	588,142

Charity: Amounts falling due within one year

	2024 £	2023 £
Trade debtors	13,345	46,129
Amounts owed by group undertakings	1,229,389	152,732
Prepayments	167,392	123,647
VAT	43,953	47,295
Accrued income receivable	152,448	359,737
	1,606,527	729,540

Charity: Amounts falling due after one year

Amounts owed by group undertakings	-	852,000
	1,606,527	1,581,540

Amounts falling due after more than one year related to a loan to St Michael's Hospice (Retail) Limited, in order to purchase a warehouse. Interest is being charged at 2% above the Bank of England interest. The rate applied for this year was 6.25% (2022 - 2.5%) per annum amounting to £53,250 (2023 - £23,430). Of this interest, £31,063 (2023 - £23,430) was received during the year. Following the merger of the Retail operations with the Hospice, the debt was discharged in April 2024.

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2024

20. Creditors Amounts falling due within one year

Group	2024 £	2023 £
Trade creditors	291,107	94,362
Pension creditor	55,320	46,450
Lottery ticket sales paid in advance	94,722	97,573
Other creditors	845	1,394
Accruals and deferred income	57,694	79,813
	<u>499,688</u>	<u>319,592</u>

Charity	2024 £	2023 £
Trade creditors	286,120	87,706
Pension creditor	55,320	46,450
Amounts owed to group undertakings	4,338	-
Other creditors	-	303
Accruals and deferred income	39,045	59,302
	<u>384,823</u>	<u>193,761</u>

21. Operating lease commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

Group	2024 £	2023 £
Expiring:		
Within one year	65,056	56,751
Between one and five years	224,084	3,971
In more than five years	5,290	-
	<u>294,430</u>	<u>60,722</u>

Charity	2024 £	2023 £
Expiring:		
Within one year	65,056	16,276
Between one and five years	224,084	2,237
In more than five years	5,290	-
	<u>294,430</u>	<u>18,513</u>

22. Pension commitments

For qualifying St Michael's Hospice Hastings and Rother staff, participation in the NHS Superannuation Scheme provides benefits based on final pensionable pay, a defined benefit scheme. The contributions paid by the charity in respect of the NHS Superannuation scheme are accounted for as if the scheme was a defined contribution scheme as the charity is unable to identify its share of the underlying assets and liabilities in the scheme. The Government Actuary, using the Projected Unit Method, determines contributions charged to the Statement of Financial Activities.

For staff that do not qualify to join the NHS Superannuation Scheme, the charity operates two further defined contribution pension schemes. Contributions are charged to the Statement of Financial Activities in the period to which they related.

The total contributions paid to both pension schemes for the year ended 31 March 2024 are shown in note 13. The amount outstanding at the balance sheet date is £55,320 (2023 – £46,450).

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2024

23. Movement in funds

Current year	At 1 April 2023 £	Net movement in funds £	Transfers between funds £	At 31 March 2024 £
Unrestricted funds				
General fund	5,201,794	376,638	55,570	5,634,002
Fixed assets	4,611,320	(250,627)	229,090	4,589,783
Strategic Development fund	2,000,000	(115,340)	(1,884,660)	-
Contingency fund	3,400,000	-	(3,400,000)	-
Capital Appeal fund	-	287,129	5,000,000	5,287,129
	<u>15,213,114</u>	<u>297,800</u>	<u>-</u>	<u>15,510,914</u>
Restricted funds				
Rolling equipment replacement	49,143	(23,344)	-	25,799
Other funds	53,511	717	-	54,228
The National Lottery	35,700	11,956	-	47,656
Community Fund RC London and South East Region				
	<u>138,354</u>	<u>(10,671)</u>	<u>-</u>	<u>127,683</u>
Total	<u>15,351,468</u>	<u>287,129</u>	<u>-</u>	<u>15,638,597</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	7,827,450	(7,552,775)	101,963	376,638
Fixed asset fund	-	(250,627)	-	(250,627)
Strategic development fund	-	(115,340)	-	(115,340)
Contingency fund	-	-	-	-
Capital Appeal Fund	287,129	-	-	287,129
	<u>8,114,579</u>	<u>(7,918,742)</u>	<u>101,963</u>	<u>297,800</u>
Restricted funds				
Rolling equipment replacement	40,390	(63,734)	-	(23,344)
Other funds	40,792	(40,075)	-	717
The National Lottery	59,766	(47,810)	-	11,956
Community Fund RC London and South East Region				
	<u>140,948</u>	<u>(151,619)</u>	<u>-</u>	<u>(10,671)</u>
Total funds	<u>8,255,527</u>	<u>(8,070,361)</u>	<u>101,963</u>	<u>287,129</u>

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2024

23. Movement in funds (continued)

Comparative year	At 1 April 2022 £	Net movement in funds £	Transfers between funds £	At 31 March 2023 £
Unrestricted funds				
General fund	5,326,470	(17,513)	(107,163)	5,201,794
Fixed assets	4,710,576	(206,419)	107,163	4,611,320
Strategic Development fund	2,000,000	-	-	2,000,000
Contingency fund	3,400,000	-	-	3,400,000
	<u>15,437,046</u>	<u>(223,932)</u>	<u>-</u>	<u>15,213,114</u>
Restricted funds				
Rolling equipment replacement	83,288	(34,145)	-	49,143
Other funds	47,115	6,396	-	53,511
SystmOne Implementation	25,730	(25,730)	-	-
The National Lottery Community Fund RC London and South East Region	43,895	(8,195)	-	35,700
	<u>200,028</u>	<u>(61,674)</u>	<u>-</u>	<u>138,354</u>
Total	<u>15,637,074</u>	<u>(285,606)</u>	<u>-</u>	<u>15,351,468</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	7,368,546	(7,050,509)	(335,550)	(17,513)
Fixed asset fund	-	(206,419)	-	(206,419)
	<u>7,368,546</u>	<u>(7,256,928)</u>	<u>(335,550)</u>	<u>(223,932)</u>
Restricted funds				
Rolling equipment replacement	41,713	(75,858)	-	(34,145)
Other funds	77,771	(71,375)	-	6,396
SystmOne Implementation	-	(25,730)	-	(25,730)
The National Lottery Community Fund RC London and South East Region	56,111	(64,306)	-	(8,195)
	<u>175,595</u>	<u>(237,269)</u>	<u>-</u>	<u>(61,674)</u>
Total funds	<u>7,544,141</u>	<u>(7,494,197)</u>	<u>(335,550)</u>	<u>(285,606)</u>

23. Movement in funds (continued)

Unrestricted funds

The Trustees have applied the funds as shown above. Of the available funds held at the year-end £4,589,783 (2023 - £4,611,320) is held in the form of land and buildings and other tangible fixed assets.

The Trustees have set up a Capital Appeal Fund in the current year. The funds are ringfenced with the Trustees having the aspiration to raise £10m over the 7 year plan. The scope of the funds will be finalised in March 2025.

The Trustees have transferred the balance of the designated Strategic Development fund to the capital appeal fund £- (2023 - £2,000,000).

The Contingency fund is no longer considered necessary, so £3,115,340 has been transferred to the new Capital Appeal fund and the balance of £284,660 has been transferred to the unrestricted General fund. The unrestricted General fund together with the Capital Appeal fund total £10,921,131 which represents 16 months of net running costs.

The general fund at the year-end of £5,834,022 (2023 - £5,201,794) represents funds available to the Trustees to pursue and further the activities of the Hospice.

Restricted funds

Rolling Equipment Replacement – funds received to purchase new or upgrade existing equipment are recorded within the Rolling Equipment Replacement fund. Funds received during the year were all fully expended in accordance with their restriction, unless stated otherwise. The additional balance carried forward on the fund represents fixed assets held on the balance sheet.

Other funds – funds received for specific services or provision of small equipment where the balance remaining at the yearend is less than £5,000.

The National Lottery Community Fund RC London and South East Region - The grant from the National Lottery Community Fund RC London and South East Region is to fund a three year project to raise awareness and develop compassionate communities that mobilise to think about how they can support people with life limiting conditions and keep them part of daily life

Transfers out of restricted funds represent unspent balances released from restriction in accordance with the terms of the original donations.

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2024

24. Net Assets by fund – current year

Group	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	4,589,783		4,589,783
Investments	6,090,927		6,090,927
Current assets	5,329,892	127,683	5,457,575
Current liabilities	(499,688)		(499,688)
Net assets	15,510,914	127,683	15,638,597
Charity	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	3,887,165		3,887,165
Investments	6,091,028		6,091,028
Current assets	6,116,416	127,683	6,244,099
Current liabilities	(384,823)		(384,823)
Net assets	15,709,786	127,683	15,837,469
Net assets by fund – comparative year			
Group	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	4,611,320	-	4,611,320
Investments	5,874,291	-	5,874,291
Current assets	5,047,095	138,354	5,185,449
Current liabilities	(319,592)	-	(319,592)
Net assets	15,213,114	138,354	15,351,468
Charity	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	3,890,691	-	3,890,691
Investments	5,874,392	-	5,874,392
Current assets	5,865,660	138,354	6,004,014
Current liabilities	(193,761)	-	(193,761)
Net assets	15,436,982	138,354	15,575,336

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2024

25. Contingent liabilities

There were no contingent liabilities as at 31 March 2024 nor at 31 March 2023.

26. Capital commitments

The charity had no building commitments as at the year-end (2023 - £nil).

27. Contingent assets

The charity was notified of one legacy (2023 – one) which is subject to a life tenancy or other such condition. The total amount of the legacy is estimated at £100,000 (2023 - £100,000). It has not been included in the accounts.

28. Related party transactions

The charity had the following transactions with its subsidiary companies during the year:

	St Michael's Hospice (Retail) Limited		St Michael's Hospice Lottery Limited	
	2024	2023	2024	2023
Income during the year	516,895	422,341	508,053	631,082
Expenditure during the year	-	-	-	-
Balance receivable at the year end	1,202,190	996,195	23,053	8,472

Income is generated from a donation of profits or a recharge of costs incurred on behalf of the subsidiaries. Expenditure is the reimbursement of reasonable costs incurred by the subsidiaries in the course of carrying out their business.

There are no other transactions with related parties to disclose.