

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 2025**

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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	Anrew Watson (Chair)	(appointed on 27 August 2024)
	Tony Boardman	
	Ian Crick	(appointed on 01 April 2024)
	Simon Davis	
	Kerry Gentleman	(Vice Chair)
	Nigel Kirby-Green	
	Geoff Longmire	
	Ian Menzies	
	Susan Munroe	(resigned on 31 October 2024)
	David Rogers	(appointed on 27 August 2024)
	Magnus Spence	(resigned on 24 March 2025)
	Linda Stevens	(resigned on 31 May 2025)
	James Thomas	(resigned on 18 June 2024)
	David Walker	(appointed on 31 October 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 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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**Report of the Trustees and strategic report
For the year ended 31 March 2025**

The Trustees present their report and accounts for the year ended 31 March 2025 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

St Michael's Hospice is dedicated to supporting adults (18+) living with serious, advanced illnesses, helping them live as fully and comfortably as possible. Its mission is to support and enable the community of Hastings and Rother to live well with dying, death and loss.

The Hospice adopts a collaborative, interdisciplinary approach, working closely with NHS services across primary, secondary, and tertiary care, as well as with adult social care, private providers, and voluntary organisations. This ensures seamless, integrated support for patients and families.

Key aims

- Provide specialist palliative and end-of-life care to the Hastings and Rother communities, regardless of diagnosis.
- Offer holistic support to families and carers, helping them remain resilient and independent.
- Ensure patients and families receive clear, compassionate communication, empowering them with knowledge and choices about their care.
- Respect and record patients' preferences for care and place of death, striving to fulfil these wherever possible.
- Deliver expert bereavement support to those coping with loss.

Comprehensive services

St Michael's Hospice offers a wide range of services designed to enhance quality of life and dignity:

- Specialist symptom control to maximise comfort and wellbeing.
 - Emotional, social, spiritual, and practical support to help individuals and families navigate the challenges of serious illness.
 - Rehabilitation services to promote independence and engagement in meaningful activities.
 - In-patient care for those needing intensive support.
 - 24/7 telephone advice for patients, families, and healthcare professionals.
 - Collaborative care planning with other health and social care providers to ensure continuity and consistency.
 - Support for patients to be cared for in their preferred place, whenever possible.
 - Care delivered with respect, dignity, and sensitivity to individual needs.
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**Report of the Trustees and strategic report (continued)
For the year ended 31 March 2025**

- Assistance from trained volunteers who enhance the Hospice's compassionate environment.
- Bereavement services tailored to the emotional needs of those grieving.

Expert team & education

Care is delivered by a highly skilled interdisciplinary team, including consultants in palliative medicine, specialist nurses and doctors, therapists, social workers, spiritual care leads, wellbeing assistants, and pharmacists. All team members work within professional, legal, and ethical frameworks to ensure the highest standards of care.

The Hospice also plays a vital role in educating and supporting health and social care professionals, including staff in nursing homes, to improve palliative care across the wider community.

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 and will be reviewed in 2025/26. The Trustees of the Charity (who are also Directors of the Company) are drawn from the local community.

2.2. Organisational structure

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 objects 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.

During the year 2024/25, the Board met formally five times. Additionally, it held a strategy day focused on plans to build a new Hospice and a joint Board meeting with St Wilfrid's Hospice in Eastbourne to discuss assisted dying.

The Clinical Governance and Governance, Audit & Risk Committees met four times whilst the People and Finance & Income Generation Committees met three times. One joint meeting of the Finance & Income Generation and Governance, Audit & Risk Committees was also held during this time. The Nominations Committee met twice during the year to consider the appointment of a new Chair.

The Capital Project Board, established to oversee the development of a new Hospice, met six times during the year. The Capital Appeal Board, established to oversee a capital appeal to support the project met three times.

St Michael's Hospice has one wholly owned subsidiary company that operates its lottery business. The Lottery Board met three times during 2024/25 to scrutinise the operation of the Lottery business and explore opportunities to increase its income and covenant to the Hospice. They also held one strategy day in the year.

Retail ceased operations on 1st April 2025, with trading activities transitioning to the Hospice.

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.

For 2024/25, the Board of Trustees 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.

**Report of the Trustees and strategic report (continued)
For the year ended 31 March 2025**

During this period there have been three Trustee resignations:

- James Thomas: with effect from 19th June 2024
- Susan Munroe: with effect from 1st November 2024
- Magnus Spence: with effect from 24th March 2025

The following appointments were made at General Meetings:

- 7th June 2024
 - Sam Carter was appointed as Chair of the Lottery Board.
- 27th August 2024
 - Andy Watson was appointed as Trustee and Chair designate with effect from 1st September 2024.
 - David Rogers was appointed as Trustee with effect from 1st October 2024.
- 31st October 2024
 - Ian Menzies was reappointed as Trustee and Treasurer
 - Simon Davis was reappointed as Trustee
 - David Walker was appointed as Trustee with effect from 31st October 2024
- 23rd January 2025
 - Nigel Kirby-Green was reappointed as Trustee
 - Susannah Clayton was reappointed as Non-Executive Director to the Lottery Board
 - Helen Snellgrove was reappointed as Non-Executive Director to the Lottery Board

The Trustees who served during the year are shown below alongside their sub-committee membership:

	CAB	CPB	CGC	FIG	GAR	NC	PC
Tony Boardman					X		
Ian Crick		X		X	X	X	
Simon Davis	X			X		X	X
Kerry Gentleman		X	X			X	X

Report of the Trustees and strategic report (continued)
For the year ended 31 March 2025

Nigel Kirby-Green					X		
Geoff Longmire				X			
	CAB	CPB	CGC	FIG	GAR	NC	PC
Ian Menzies	X	X		X	X	X	
Susan Munroe		X	X			X	X
David Rogers	X		X				
Linda Stevens					X	X	X
Magnus Spence	X	X		X			
James Thomas			X				
David Walker			X				X
Andy Watson		X				X	X

Key

CAB: Capital Appeal Board

CPB: Capital Project Board

CGC: Clinical Governance Committee

FIG: Finance and Income Generation Committee

GAR: Governance, Audit and Risk Committee

NC: Nominations Committee

PC: People Committee

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.

STRATEGIC REPORT

3.1 Introduction from the Chief Executive Officer

I'm pleased to share our 2024/25 Annual Report, highlighting a year of progress with our Hospice strategy. Guided by a public health palliative care approach, we supported over 2,100 individuals; 20% receiving bereavement support – an integral part of our hospice offer.

We implemented year two of the clinical strategy, placing people at the heart of our care – respecting their unique needs, values and preferences and empowering them to make informed choices about their care.

Alongside our clinical work, our compassionate communities strategy continues to grow. We recognise that dying, death, and loss can be deeply isolating experiences and, as people become unwell or take on a caring role, connections can fade. Our goal is to rebuild those vital networks of support—bringing people together and helping to ease loneliness for those living with advanced illness, caring for a loved one, or grieving someone who was important to them.

Financially, the landscape remains challenging and for the first time in many years, the Hospice ended the year with a significant deficit. With just 28% of our running costs covered by the NHS, our reliance on our local community to support us continues to grow. Through our partnership with NHS Sussex and the advocacy work being done by Hospice UK nationally we hope for a future when there is a fairer, more sustainable approach to hospice funding.

Despite the financial challenges we continue to explore options for creating new facilities so that the Hospice can continue to support people long into the future. Both the current site and alternative locations are being considered, and we hope to conclude this in 2025/26. A decision to progress a new development will be dependent on the Trustees being satisfied that the organisation is financially secure enough to embark on such a significant undertaking.

St Michael's Hospice holds a cherished place in our community, and it's thanks to the extraordinary generosity of our volunteers and supporters—who give their time, resources, and donations—that we exist. We are deeply grateful, and we hope they know just how much they mean to us.

As I reflect on the year, I feel incredibly privileged to lead such an aspirational organisation. Our people are passionate, dedicated, and unwavering in their commitment to delivering high-quality care and support to patients and families. It's an honour to be part of this team.

Dr Karen Clarke
Chief Executive

3.2 Achievements in the year 2024/25

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 aim to become a centre of excellence in palliative care, education and research, while building a compassionate community that supports one another through end-of-life experiences.

**Report of the Trustees and strategic report (continued)
For the year ended 31 March 2025**

We believe our community holds valuable assets that, with support from St Michael's Hospice, can improve end-of-life outcomes for all. Alongside delivering specialist palliative care, we will embed a public health approach—focusing on partnership and collaboration with individuals, families, professionals, and civic institutions.

To achieve our vision, we will:

- Deliver high-quality specialist palliative and end-of-life care
- Educate and collaborate with health and social care partners
- Empower communities through listening, engagement and support
- Influence and advise civic institutions including schools, workplaces, councils, and faith groups.

St Michael's Hospice will act as a catalyst for change—shaping the conversation and experience of dying, death and loss through community development. Our united team ethos underpins everything we do.

Our Hospice shops and Lottery Collectors play a vital role in connecting with communities, reducing isolation, and bringing services closer to where people live.

In 2024/25 the Hospice has focused on delivery of several key strategies to support its vision, mission and values, including:

- Clinical and clinical education
- Organisational development
- Retail and fundraising
- Marketing and communications
- Data, systems and insight
- Compassionate communities

The following section highlights some of the key achievements in 2024/25

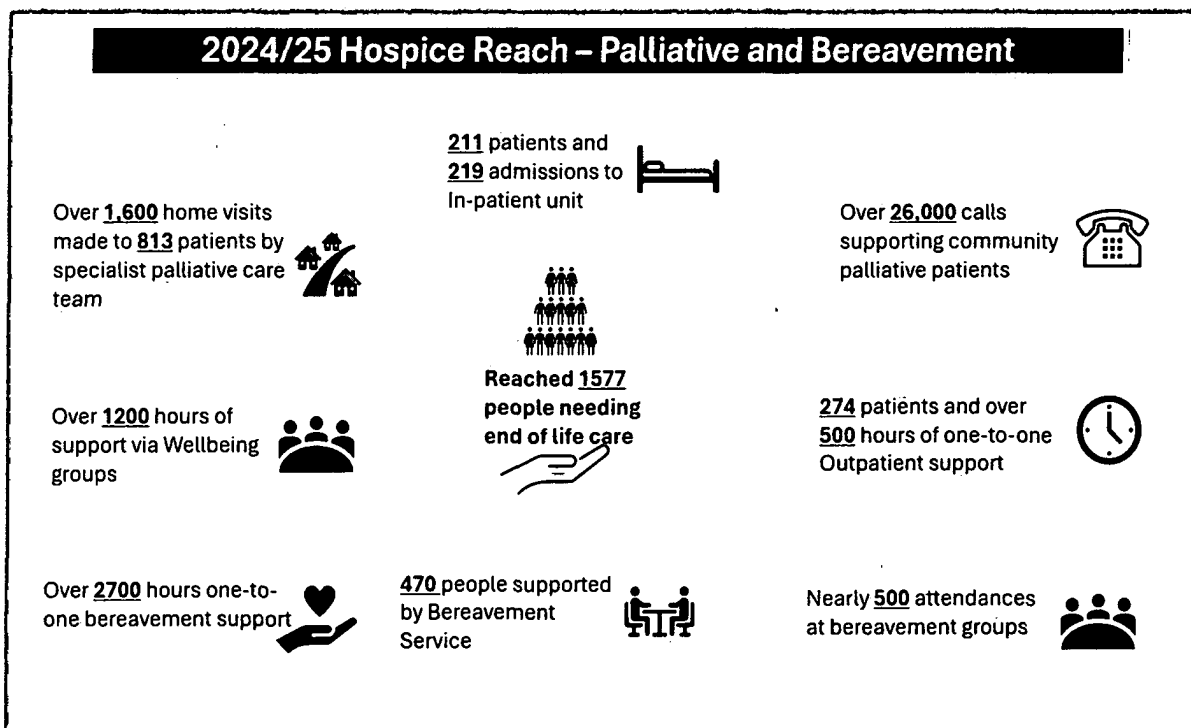
3.2.1 Increase clinical reach

In 2024/25 our teams continued to increase the number of clinical contacts with patients and their families. This means more patients were seen in the community.

Bereavement counselling waiting times were reduced due to the introduction of more social and therapeutic groups for those bereaved.

The total number of people supported across all hospice services can be seen in the graphic below.

Report of the Trustees and strategic report (continued)
For the year ended 31 March 2025



Hastings has one of the highest rates of deprivation in England. In 2024/25 we gathered demographic data on patients referred to all our services, to produce a comprehensive data set across all patient activity. This will enable us to make more informed decisions on improving accessibility to services for everyone in our community and is part of the Clinical Strategy for 2024-2027.

Following the success of the 2024 Hospice Line pilot, three Sussex hospices launched a second trial in early 2025—this time testing a shared model where one hospice answered patient calls for all. Trained clinical administrators and healthcare assistants provided compassionate first responses, triaged needs, and escalated calls when specialist input was required. Shared patient records ensured continuity of care and spared patients from repeating their medical history. Over 12 weekends, the team handled more than 1,000 calls, supporting 425 patients. This has provided further evidence that a shared support line is more effective, and more efficient than running separate services.

Over the past two years, medical consultants from East Sussex NHS Trust, our Hospice, and St Wilfrid's Hospice (Eastbourne) have begun working as a unified team—bringing real benefits to patient care. Cross-site collaboration has improved equity and continuity. For example, a consultant can assess a patient in hospital and arrange a seamless transfer to a hospice bed, with the care plan following them—avoiding repeat reviews. With a shared pool of eight consultants, patients now have more opportunities for face-to-face consultations in varied settings. One of our consultants, for instance, works in Eastbourne every Thursday, seeing ward patients in the morning and running an outpatient clinic in the afternoon.

The Community Partnerships and Inclusion team continues to progress its work within three interconnected workstreams: clinical activities that support a compassionate community agenda; Hospice-led initiatives to augment or pump prime compassion within a community; and working with the community using an asset-based community development (ABCD) approach.

**Report of the Trustees and strategic report (continued)
For the year ended 31 March 2025**

Led by the community, the Hospice hosts monthly Saturday Socials and weekly Thursday Coffee Stops, designed to reduce loneliness and social isolation. In the year they had 646 and 1262 attendances respectively. These initiatives are supported by community volunteers giving 3043 hours of their time (up from 2885 last year) with 35 volunteers engaged specifically in befriending 116 patients or carers. Of these beneficiaries, 94% reported 'a lot' of reduction in feelings of loneliness and isolation, 88% reported 'a lot' of improvement in their wellbeing. Our volunteers themselves reported a 100% increase in their connectedness to community, as well as a 92% increase in their awareness of people's needs around dying, death and loss.

3.2.2 Improve and demonstrate our effectiveness

In 2024/25, progress continues to be made in using data to support care and decision-making. New tools like Power BI and improved skills in the Data, Systems and Insight team have made a big difference. The Board and managers now regularly use visual dashboards and statistical process charts to guide decisions, monitor progress and seek assurance. This new approach has been well received and is now a key part of how we work.

Trustee visits play an important role in our governance processes. In 2024/25 there were three Trustee visits involving six Trustees. The morning part of the visit is spent with clinical teams focused on either Safe, Caring, Effective or Responsive. The afternoon focuses on Well Led and allows Trustees to spend time with the wider Hospice teams. Guidance is given on questions to incorporate into discussions based on assurance requirements. The Care Quality Commission "I and We" statements are included in the planning of these questions. Following their visit, Trustees submit a written report which is shared with the Extended Leadership Team and the Board. Some of the feedback is shown below:

"Improved collaboration was increasing effectiveness – within teams and between teams. The introduction of triage as well as more joined up working is contributing well to achieving a full holistic approach to care"

"Teams were starting to recognise the importance of good, well-presented data to improve ways of working and justify future requirements"

"We have some very capable and passionate people in St Michael's who are thriving in a really supportive and positive environment"

"The Schwartz Rounds are beneficial in bringing teams together"

Feedback is also gathered from the people Trustees meet:

"They asked tough questions! That is not a complaint, they were the right questions, and it is good that they are asked."

"There was a feeling of openness, that you could be honest and discuss some of the concerns as well as some of the successes."

The Care Quality Commission introduced the Single Assessment Framework as part of a transformation programme, and we have created a new Vantage module as a data repository in response to this. As part of the Single Assessment Framework introduction, Relationship Managers, who were the Hospice's contact within the Care Quality Commission and responsible for direct monitoring, were withdrawn. Therefore, there has been no direct monitoring undertaken in 2024 and nor has the Hospice been inspected during 2024/25.

**Report of the Trustees and strategic report (continued)
For the year ended 31 March 2025**

67% 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 a new process introduced in April 2024 to ensure learning is maximised.

The Care Quality Commission was notified of a complaint which had not been satisfactorily resolved for the complainant. They closed the case on 4th February 2025, but updates continue to be sent following events such as the Ombudsman confirming they are not progressing the complaint.

Regrettably, there are times when the Hospice's services do not meet the expectations of its service users and in 2024/25 there were eight formal complaints with a further 25 concerns or informal complaints raised. A thorough investigation is undertaken into all complaints and a written response provided to the complainant within 20 days.

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, continuity of care and the experience of patients and families
- Gather carer experience - the Voices survey and Views on Care has been launched to help achieve this, as well as seeking monthly feedback during the monthly ward audit.
- 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, there were no trends or underlying issues identified.

As a key priority, digital transformation initiatives in 2024/25 included: a new cloud-based telephone system; a new digital tool for celebrating employee and volunteers (Viva Engage); transitioning files and folders to a Microsoft 365 SharePoint infrastructure; digitalising clinical rotas and timesheets and the first steps were taken to introduce generative artificial intelligence.

The Sussex Hospice Alliance (SHA) and NHS Sussex formed a formal partnership, marked by a Memorandum of Understanding (MOU) in September 2024. Since then, the Partnership, and other partners, have been working together to find ways to better meet the needs of more people across Sussex. Collaborating, to share knowledge, improve efficiency, and to make sure that everyone has fair and easy access to high-quality, sustainable palliative and end of life care.

Key objectives include improving quality and outcomes at the end of life and ensuring:

- the best use of public money, enabling the hospices to work with providers across the system to bring the expertise of the hospices as one voice
- working together in response to the strategic plans and to provide a more resilient offer.

This approach provides a framework to enable the hospices to work together to reduce some of the financial sustainability risks for the charities which make up the Sussex Hospice Alliance and also supports the system to deliver within budgetary constraints.

**Report of the Trustees and strategic report (continued)
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Strong partnerships between the hospices and wider partners are more crucial than ever given the national and local context of system change and financial challenge.

The Alliance's leadership and management development programme "THRIVE" continues to receive positive feedback with seven cohorts of managers across five hospices (n=110) completing the programme. A further cohort will be delivered in 2025/26

3.2.3 Develop and value our people

A new Income Generation Director was appointed in January 2025 bringing a new skillset and fresh ideas for fundraising, retail and lottery. The knowledge and expertise of the previous postholder has been retained to strengthen how we support and value our donors.

We're delighted with the success we've had in recruiting more registered nurses which has enabled us to increase the number of beds we have open. We continue to develop our own pipeline of nursing resource, and two trainee Nurse Associates are in the final stages of completing their training to become Registered Nurse Associates. The Hospice is also using its apprenticeship levy to support an employee to complete an Occupational Therapy apprenticeship which finishes in 2025/26.

The Hospice was the first in the country to achieve Hospice UK's Compassionate Employer's Gold Award after being able to evidence the support provided to enhance employee wellbeing including a Carer's Forum and the Employee Wellbeing and Supervision Framework.

In 2024/25, a wellbeing survey was conducted specifically for retail employees - recognising that their wellbeing needs would differ to those based at the main Hospice site. As a result, we have updated the facilities in several of our shops, creating break spaces, improving signage and display equipment as well as sharing more specific wellbeing support activities with the remote teams.

A series of Core Manager training modules have been created and delivered, upskilling and enabling managers to effectively support their teams and contribute to the Hospice's key objectives.

We introduced Freedom to Speak Up Guardians for the first time, training three employees and a Trustee to be guardians. This was well received, and six concerns were raised and addressed in the first quarter following launch.

3.2.4 Ensure our long-term sustainability

Gross income for the year was £8.02m and expenditure was £9.1m resulting in a year end deficit of £1.08m before investment gains.

Total income was £240k lower than 2023/24. This was principally attributable to a reduction of £695k in legacy revenue, though partially offset by improved income from fundraising (£134k) and additional grant income from the Department Health and Social Care (£147k).

Total expenditure was £1.03m higher than 2023/24. This is principally attributable to higher employment costs, the consequence of significantly reduced vacancy rates, a consequence of greatly improved retention rates.

**Report of the Trustees and strategic report (continued)
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Lottery

The Hospice Lottery activity remains in a strong position, growing week on week thanks to the positive effects of having increased canvassers, and pro-active approaches to retention and stewardship. As of March 2025, we had 16,675 players each week, two hundred more players than on average last year.

We now have five canvassers working our local catchment area, reducing the single point of risk associated with our previously having just one canvasser this time last year.

In total, our lottery contributed more than £500,000 to St Michaels Hospice in the last financial year and continues to grow thanks to renewed efforts and ambition within the team.

For every £1 played in the lottery, 54p went to the Hospice (the legal requirement is to pay at least 20p), 18p went into the prize fund and 28p covered the administration, promotion, and legal regulation expenditure.

Retail and E-Commerce operations

Through seven shops and e-commerce, the Retail operation generated £799,631 in income, an increase of £22,230 from 2023/24, and delivered a profit of £37,092. A new shop was opened in a key location, replacing an underperforming shop and several refurbishments of existing shops were undertaken. Income from Gift Aid was not maximised in 2024/25 and requires further effort to ensure this is optimised in future.

Some of the key opportunities identified to strengthen and grow retail income for future years include:

- Introducing a new Shop Standards Framework to improve customer experiences, merchandising, pricing and stock rotation
- Implementing a managers' competency framework to maintain high standards within our shop teams
- Re-energised volunteer recruitment strategy to mitigate gaps in staffing which contributes to lost trading hours and decreased income generation.
- Re-framing E-commerce to focus on high value/collectable and niche items
- Opening an 'Outlet' at the Distribution Centre
- Increased focus on maximising Gift Aid income through all retail channels.

Hospice UK membership

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.

4. FINANCIAL REVIEW

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 to which it has committed, 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 the Trustees designated £5m from its reserves to help fund a new facility.

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 2025, the Consolidated Balance Sheet total was £14.87 million (2024 – £15.64 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 2025, the market value of the portfolio was £6.5 million, with an estimated yield of 2.4%.

4.4 Risk management

Risk registers are reviewed by the Extended 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. Strategic risks are subsequently reported to the Board at each meeting.

The key risks faced by the charity in 2024/25 as identified in risk registers were:

Nursing workforce shortages: the national shortage of specialist palliative care nurses adversely affected the Hospice for the first quarter, where not all available beds were able to be adequately staffed, but thanks to successful recruitment campaigns that risk has been reduced to a tolerable level by the end of the year.

Pay for all clinical employees has been a factor in successfully recruiting a skilled workforce, but sustaining increased salary costs remains challenging against the financial backdrop for many hospices. This will be an ongoing risk in 2025/26.

Reputation damage: The Hospice is known as a quality health care provider, and its reputation is of vital importance. In previous years changes to service delivery, because of workforce shortages, and a reliance on health and social care partners to work collaboratively to provide a seamless service, meant there was an increased risk of complaints and reputational damage. However, a

**Report of the Trustees and strategic report (continued)
For the year ended 31 March 2025**

Community Transformation Plan in 2024/25 has meant this risk has now reduced to a tolerable level.

Funding: Not being able to generate sufficient income to ensure the Hospice can operate effectively, has, despite best efforts, remained a high risk. A combination of increased employment costs, general expenditure and changes in donor behaviour have meant that this continues to be an area of risk.

Business Continuity: Being able to robustly respond to external factors that may impact of the Hospice's ability to operate has been a high-risk factor in 2024/25. However, significant work has been undertaken to strengthen business continuity plans and test their resilience through a desk top exercise. Further work will be concluded around cyber security in 2025/26.

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 ensuring that all donors, supporters and partners in fundraising experience the very highest levels of stewardship and support. The Hospice fundraises through a range of income streams, including third party 'in-aid of' events and activities undertaken by the public and individual supporters, groups and businesses, as well as our own drive to generate income through grant-giving trusts, direct mailings, appeals and events. The fundraising environment is very challenging, with the increasing costs of living and our socio/economic demographic being one of limited opportunity means we are reaching for ever more inclusive, accessible and scalable income generation activities that help shift our reliance on less predictable income streams, such as trusts & legacy giving.

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. It is one of the UK's most successful independent hospice lotteries. However, historic restrictions on communication have hampered efforts to engage and thank supporters, contributing to high attrition. A review of our GDPR practices in line with compliance has resulted in improved opportunity in this area, and we expect to see this favourably impact attrition.

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 2025, there were two complaints in relation to fundraising, however neither required onward reporting to the Charity Commission or Fundraising Regulator.

**Report of the Trustees and strategic report (continued)
For the year ended 31 March 2025**

5. PLANS FOR THE FUTURE

The Board has agreed that the existing Hospice strategy is still fit for purpose and will continue to be the basis on which the Hospice delivers its vision. In 2025/26 the Hospice plans to do the following:

- Increase our income through investing in and developing a more commercial business model
- Optimise the use of digital technologies through improving internal digital capabilities and streamlining processes.
- Use digital solutions to increase income
- Improve efficiency and ensure long-term sustainability by optimising opportunities to collaborate with the Sussex Hospice Alliance, St Wilfrid's Hospice (Eastbourne), East Sussex Healthcare Trust and new partnerships to ensure the best outcomes for beneficiaries,
- Evaluate all clinical services to ensure that they directly align with the Hospice's strategy and mission, are reaching the optimal number of beneficiaries, with good outcomes, and are operating safely, efficiently and effectively.
- Take action to develop and retain a diverse and highly-skilled workforce.

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

St Michael's Hospice Hastings and Rother

**Report of the Trustees and strategic report (continued)
For the year ended 31 March 2025**

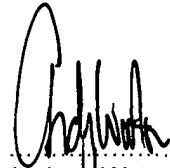
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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



Andrew Watson
Trustee

30/10/25

**Independent auditors' report to the members
For the year ended 31 March 2025**

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 2025 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 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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.

Independent auditors' report to the members (continued)
For the year ended 31 March 2025

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities on pages 17 and 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.

**Independent auditors' report to the members (continued)
For the year ended 31 March 2025**

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

Independent auditors' report to the members (continued)
For the year ended 31 March 2025

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.

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

Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

17 December 2025

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 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
Income and endowments from					
Donations and legacies	3	2,782,917	99,879	2,882,796	3,532,124
Charitable activities					
Hospice services	6	2,600,890	-	2,600,890	2,426,166
Subsidiary and retail activities	4	1,675,835	-	1,675,835	1,669,835
Other trading activities	4	682,809	-	682,809	465,709
Investment income	5	187,276	-	187,276	161,693
Total		7,929,727	99,879	8,029,606	8,255,527
Expenditure on					
Raising donations	7	718,405	-	718,405	658,291
Subsidiary and retail activities	7	1,093,125	-	1,093,125	1,013,316
Charitable activities					
Hospice services	8	7,218,669	198,191	7,416,860	6,398,754
Total		9,030,199	198,191	9,228,390	8,070,361
Net gain/(loss) on investments	14	272,627	-	272,627	101,963
Net income / (expenditure)		(827,845)	(98,312)	(926,157)	287,129
Transfers between funds	23	(3,703)	3,703	-	-
Net movement in funds		(831,548)	(94,609)	(926,157)	287,129
Total funds brought forward		15,510,914	127,683	15,638,597	15,351,468
Total funds carried forward	24	14,679,366	33,074	14,712,440	15,638,597

Continuing operations

All incoming resources and resources expended arise from continuing activities.

The notes on pages 26 to 49 form part of these financial statements.


St Michael's Hospice Hastings and Rother

Consolidated and charity balance sheets As at 31 March 2025

		Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Fixed assets					
Tangible assets	16	4,453,604	4,609,598	4,589,783	3,887,165
Investments	17	6,512,809	6,512,910	6,090,927	6,091,028
		10,966,413	11,122,508	10,680,710	9,978,193
Current assets					
Stocks	18	23,640	23,640	27,781	26,360
Debtors	19	898,179	958,165	399,194	1,606,527
Cash at bank and in hand		3,408,675	3,287,776	5,030,600	4,611,212
		4,330,494	4,269,581	5,457,575	6,244,099
Creditors: amounts falling due within one year	20	(584,467)	(475,897)	(499,688)	(384,823)
Net current assets		3,746,027	3,793,684	4,957,887	5,859,276
Total assets less current Liabilities		14,712,440	14,916,192	15,638,597	15,837,469
Net assets		14,712,440	14,916,192	15,638,597	15,837,469
Funds	23				
Unrestricted funds		14,679,366	14,883,118	15,510,914	15,709,786
Restricted funds		33,074	33,074	127,683	127,683
Total funds		14,712,440	14,916,192	15,638,597	15,837,469

The total income of the Hospice as an individual entity for the year was £7,741,642 (2024 - £7,728,253) and its net deficit was £921,277 (2024 – deficit of £262,133). 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 30/10/25 2025 and were signed on its behalf by


Andrew Watson
Trustee

The notes on pages 26 to 49 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 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash (used in) / generated by operations	A	(1,531,788)	640,732
Net cash (used in) / generated by operating activities		(1,531,788)	640,732
Cash flows from investing activities			
Purchase of tangible fixed assets		(133,188)	(229,317)
Purchase of fixed asset investments		(6,670,641)	(735,819)
Proceeds from sale of fixed assets		-	-
Proceeds from sale of investments		6,243,476	825,228
Investment income		187,276	161,693
Net cash (used in) / generated by investing activities		(373,077)	21,785
Change in cash and cash equivalents in the reporting period	B	(1,904,865)	662,517
Cash and cash equivalents at the beginning of the reporting period		5,376,821	4,714,304
Cash and cash equivalents at the end of the reporting period	B	3,471,956	5,376,821

The notes on pages 26 to 49 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 2025

A. Reconciliation of net income to net cash flow

	2025 £	2024 £
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	(926,157)	287,129
Adjustments for:		
Depreciation charges	267,361	250,627
(Gains)/Losses on investments	(272,627)	(101,963)
Loss/(profit) on disposal of fixed assets	(3,024)	229
Investment income	(187,276)	(161,693)
Increase in stocks	4,141	(2,641)
Decrease in debtors	(498,985)	188,948
Increase/(decrease) in creditors	84,779	180,096
Net cash inflow/(outflow) from operating activities	(1,531,788)	640,732

B. Analysis of cash and cash equivalents

	At 31 March 2024 £	Movement £	At 31 March 2025 £
Cash at bank and in hand	5,030,600	(1,621,925)	3,408,675
Investment cash	346,221	(282,940)	63,281
	5,376,821	(1,904,865)	3,471,956

**Notes to the financial statements
For the year ended 31 March 2025**

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.

Notes to the financial statements (continued)
For the year ended 31 March 2025

2. Accounting policies (continued)

2.3.6 Shop income

Shop income 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 2025

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 2025

3. Donations and legacies

	2025 £	2024 £
Donations and gifts	289,564	312,239
In memoriam	189,312	161,361
Regular giving and Gift Aid	127,212	86,926
Legacies	2,276,708	2,971,598
	<u>2,882,796</u>	<u>3,532,124</u>

4. Trading activities

	2025 £	2024 £
Lottery income	876,205	892,177
Retail income	799,630	777,658
	<u>1,675,835</u>	<u>1,669,835</u>

Other trading activities	2025 £	2024 £
Fundraising events	394,216	260,269
Arthur Easton hall hire	10,054	13,140
Coffee shop and catering	20,250	3,947
Recycling and other trading	24,015	-
Shared Services income	211,293	157,596
Sundry income	22,981	30,757
	<u>6682,809</u>	<u>465,709</u>

Notes to the financial statements (continued)
For the year ended 31 March 2025

5. Investment income

	2025	2024
	£	£
Income from UK listed investments	169,203	145,341
Deposit account interest	12,373	10,652
Rents	5,700	5,700
	<u>187,276</u>	<u>161,693</u>

6. Income from charitable activities

	2025	2024
	£	£
Grants	2,599,149	2,423,128
Patient income	1,741	3,038
	<u>2,600,890</u>	<u>2,426,166</u>

2025
£

2024
£

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

Hastings and Rother ICB	<u>2,584,610</u>	<u>2,423,128</u>
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Notes to the financial statements (continued)
For the year ended 31 March 2025

7. Raising funds

	Raising donations £	Retail costs £	Lottery costs £	Total 2025 £
Staff costs	478,307	487,473	111,340	1,077,120
Cost of sales	-	5,742	-	5,742
Lottery Prizes	-	-	258,301	258,301
Premises	36,046	134,389	-	170,435
Depreciation	25,422	26,625	-	52,047
Other direct costs	178,630	39,742	29,513	247,885
	<u>718,405</u>	<u>693,971</u>	<u>399,154</u>	<u>1,811,530</u>

2024 comparative

	Raising donations £	Retail costs £	Lottery costs £	Total 2024 £
Staff costs	467,065	411,157	117,809	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	131,804	114,729	13,885	263,418
	<u>658,291</u>	<u>639,539</u>	<u>373,777</u>	<u>1,671,607</u>

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2025

8. Charitable activities costs

	Direct costs (Note 9) £	Support costs (Note 10) £	Total 2025 £
Hospice services	5,725,602	1,551,536	7,277,138
Other	-	139,722	139,722
	<u>5,725,602</u>	<u>1,691,258</u>	<u>7,416,860</u>

2024 comparative

	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>

9. Direct costs of charitable activities

	2025 £	2024 £
Staff costs	4,471,529	4,189,623
Clinical costs	308,874	352,283
Training costs	85,418	82,052
Premises	250,308	221,060
Depreciation	176,531	170,744
Other direct costs	432,942	368,457
	<u>5,725,602</u>	<u>5,384,219</u>

Notes to the financial statements (continued)
For the year ended 31 March 2025

10. Support costs

Support costs are as follows:

	2025	2024
	£	£
Staff costs	1,372,533	709,277
Rates and water	2,257	1,694
Insurance	10,698	11,174
Light and heat	16,149	17,237
Telephone	6,428	6,314
Postage, stationery and IT	53,057	62,757
Sundries	13,395	16,548
Property rental	8,219	11,774
Repairs and maintenance	30,017	21,524
Freehold property depreciation	38,783	37,511
	<u>1,551,536</u>	<u>895,810</u>

Governance costs

	2025	2024
	£	£
Bank charges	7,589	3,985
Legal and professional fees	98,969	79,278
Auditors' remuneration	29,764	33,062
Auditors' remuneration in respect of accountancy and other services	3,400	2,400
	<u>139,722</u>	<u>118,725</u>

11. Net income/expenditure

	2025	2024
	£	£
Auditors' remuneration for Charity audit		
Current year	18,500	17,160
Prior year	6,264	2,902
Auditors' remuneration in respect of accountancy and other services, including the audit and accountancy fees of subsidiaries	18,312	15,400
Depreciation	267,361	250,627
(Profit) / loss on disposal of fixed assets	<u>(3,024)</u>	<u>229</u>

Notes to the financial statements (continued)
For the year ended 31 March 2025

12. Trustees' remuneration and benefits

There was no Trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees' expenses

No expenses were reimbursed to any Trustee in the year to 31 March 2025 nor for the year ended 31 March 2024.

13. Staff costs

	2025	2024
	£	£
Wages and salaries	5,936,264	4,920,781
Social security costs	554,856	457,295
Other pension costs	420,084	364,386
Temporary, locum and other non-salaried staff costs	6,334	29,790
Other staff costs	23,762	20,712
	<u>6,941,300</u>	<u>5,792,964</u>

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

	2025	2024
	Number	Number
Nursing and medical	96	88
Catering and housekeeping	10	10
Maintenance	13	11
Training	1	1
Fundraising	8	9
Administration	34	24
Bereavement	8	8
Lottery	4	4
Retail	21	20
	<u>196</u>	<u>175</u>

Notes to the financial statements (continued)
For the year ended 31 March 2025

13. Staff costs (continued)

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

	2025	2024
	Number	Number
£60,000 to £69,999	1	1
£70,000 to £79,999	-	2
£80,000 to £89,999	3	1
£90,000 to £99,999	1	-
£100,000 to £109,999	1	1
£110,000 to £120,000	1	-
	<u>1</u>	<u>-</u>

The key management personnel comprise members of the Leadership Team. The total employee benefits of the key management personnel of the charity were £579,167 (2024 - £494,472).

A proportion of the salaried costs for five employees is recharged to St Wilfrid's Hospice (Eastbourne), as these roles support operations across both sites.

14. Gains/(losses) on investments

	2025	2024
	£	£
Realised gains	43,474	3,722
Unrealised gains/(losses)	229,153	98,241
	<u>272,627</u>	<u>101,963</u>

Notes to the financial statements (continued)
For the year ended 31 March 2025

15. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Income and endowments from			
Donations and legacies	3,391,176	140,948	3,532,124
Charitable activities			
Hospice services	2,426,166	-	2,426,166
Subsidiaries' trading activities	1,669,835	-	1,669,835
Other trading activities	465,709	-	465,709
Investment income	161,693	-	161,693
Total	8,114,579	140,948	8,255,527
Expenditure on			
Raising donations	658,291	-	658,291
Trading companies' costs	1,013,316	-	1,013,316
Charitable activities			
Hospice services	6,247,135	151,619	6,398,754
Total	7,918,742	151,619	8,070,361
Net (losses)/gains on investments	101,963	-	101,963
Net income	297,800	(10,671)	287,129
Transfers between funds	-	-	-
Net movement in funds	297,800	(10,671)	287,129
Reconciliation of funds			
Total funds brought forward	15,213,114	138,354	15,351,468
Total funds carried forward	15,510,914	127,683	15,638,597

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2025

16. Tangible fixed assets

Group	Freehold property £	Assets under construction £	Fixtures fittings and equipment £	Motor vehicles £	Totals £
Cost					
At 1 April 2024	6,409,713	5,000	1,491,782	157,984	8,064,479
Additions	77,206	-	55,982	-	133,188
Disposals	(2,005)	-	-	-	(2,005)
At 31 March 2025	6,484,914	5,000	1,547,764	157,984	8,195,662
Depreciation					
At 1 April 2024	2,068,837	-	1,267,944	137,916	3,474,697
Charge for year	159,567	-	99,144	8,650	267,361
Eliminated on disposal	-	-	-	-	-
At 31 March 2025	2,228,404	-	1,367,088	146,566	3,742,058
Net book value					
At 31 March 2025	4,256,510	5,000	180,676	11,418	4,453,604
At 31 March 2024	4,340,876	5,000	223,839	20,068	4,589,783

Included in freehold property is land of £152,761 (2024 - £152,761) which is not depreciated.

Notes to the financial statements (continued)
For the year ended 31 March 2025

16. Tangible fixed assets (continued)

Charity	Freehold property £	Assets under construction £	Fixtures fittings and equipment £	Motor vehicles £	Totals £
Cost					
At 1 April 2024	5,447,250	5,000	1,464,214	143,484	7,059,948
Additions	933,253	-	56,541	-	989,794
Disposals	-	-	-	-	-
At 31 March 2025	6,380,503	5,000	1,520,755	143,484	8,049,742
Depreciation					
At 1 April 2024	1,808,432	-	1,240,935	123,416	3,172,783
Charge for year	159,567	-	99,144	8,650	267,361
Eliminated on disposal	-	-	-	-	-
At 31 March 2025	1,967,999	-	1,340,079	132,066	3,440,144
Net book value					
At 31 March 2025	4,412,504	5,000	180,676	11,418	4,609,598
At 31 March 2024	3,638,818	5,000	223,279	20,068	3,887,165

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2025

17. Fixed asset investments

Group		Listed investments £	Cash held for investment £	Totals £
Market value				
At 1 April 2024		5,744,707	346,221	6,090,928
Additions		6,670,641	-	6,670,641
Disposals		(6,243,476)	-	(6,243,476)
Revaluations		277,656	-	277,656
Cash movement		-	(282,940)	(282,940)
At 31 March 2025		6,449,528	63,281	6,512,809
Net book value				
At 31 March 2025		6,449,528	63,281	6,512,809
At 31 March 2024		5,744,706	346,221	6,090,927
Charity	Shares in group undertakings £	Listed investments £	Cash held for investment £	Totals £
Market value				
At 1 April 2024	101	5,744,707	346,221	6,091,029
Additions	-	6,670,641	-	6,670,641
Disposals	-	(6,243,476)	-	(6,243,476)
Revaluations	-	277,656	-	277,656
Cash movement	-	-	(282,940)	(282,940)
At 31 March 2025	101	6,449,528	63,281	6,512,910
Net book value				
At 31 March 2025	101	6,449,528	63,281	6,512,910
At 31 March 2024	101	5,744,706	346,221	6,091,028

There were no investment assets outside the UK.

Notes to the financial statements (continued)
For the year ended 31 March 2025

17. Fixed asset investments (continued)

Comparative with prior year

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 2025

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	
	2025 £	2024 £	2025 £	2024 £
Turnover	-	770,156	874,188	890,776
Cost of sales	-	(3,147)	(258,301)	(242,083)
Gross profit	-	767,009	615,887	648,693
Administrative expenses	150,965	(696,110)	(140,852)	(142,242)
Other income	-	7,500	-	-
Interest payable	-	(53,250)	-	-
Interest receivable	-	-	2,016	1,402
Net profit/(loss)	150,965	25,149	477,051	507,853
Assets – fixed and current	-	1,015,782	121,029	129,842
Liabilities	(47,730)	(1,214,477)	(120,955)	(129,768)
	(47,730)	(198,695)	74	74
Share capital	100	100	1	1
Retained reserves	(47,830)	(198,795)	73	73
	(47,730)	(198,695)	74	74

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2025

18. Stocks

Group	2025 £	2024 £
Stocks	23,640	27,781
Charity	2025 £	2024 £
Stocks	23,640	26,360

19. Debtors

Group: Amounts falling due within one year

	2025 £	2024 £
Trade debtors	23,907	13,795
Legacies due	-	-
Gift aid tax recoverable	-	-
Other debtors and prepayments	191,956	169,362
VAT	44,051	50,106
Accrued income receivable	638,265	165,931
	898,179	399,194

Charity: Amounts falling due within one year

	2025 £	2024 £
Trade debtors	23,907	13,345
Amounts owed by group undertakings	59,986	1,229,389
Legacies due	-	-
Gift aid tax recoverable	-	-
Prepayments	191,956	167,392
VAT	44,051	43,953
Accrued income receivable	638,265	152,448
	958,165	1,606,527

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2025

20. Creditors Amounts falling due within one year

Group	2025 £	2024 £
Trade creditors	227,088	291,107
Other tax and social security	143,132	-
Pension creditor	60,670	55,320
Lottery ticket sales paid in advance	96,305	94,722
Other creditors	10,215	845
Accruals and deferred income	47,057	57,694
	<u>584,467</u>	<u>499,688</u>
Charity	2025 £	2024 £
Trade creditors	226,221	286,120
Other tax and social security	143,132	-
Pension creditor	60,670	55,320
Amounts owed to group undertakings	130	4,338
Other creditors	9,829	-
Accruals and deferred income	35,915	39,045
	<u>475,897</u>	<u>384,823</u>

21. Operating lease commitments

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

Group and Charity	2025 £	2024 £
Expiring:		
Within one year	67,127	65,056
Between one and five years	202,703	217,119
In more than five years	8,390	7,312
	<u>278,220</u>	<u>289,487</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 2025 are shown in note 13. The amount outstanding at the balance sheet date is £2,789 (2024 – £55,320).

St Michael's Hospice Hastings and Rother

Notes to the financial statements (continued) For the year ended 31 March 2025

23. Movement in funds

Current year	At 1 April 2024	Income	Expenditure	Gains and losses	Transfers	At 31 March 2025
Unrestricted funds						
General fund	5,634,002	7,929,727	(8,641,532)	272,627	(3,703)	5,191,121
Designated funds						
Fixed assets	4,589,783	-	(136,179)	-	-	4,453,604
Capital Appeal	5,287,129	-	(252,488)	-	-	5,034,641
	9,876,912	-	(388,667)	-	-	9,488,245
Restricted funds						
Rolling equipment replacement	25,799	4,734	(25,235)	-	(4,380)	918
Other funds	54,228	95,145	(122,671)	-	5,454	32,156
Big Lottery Compassionate Communities	47,656	-	(50,285)	-	2,629	-
	127,683	99,879	(198,191)	-	3,703	33,074
Total	15,638,597	8,029,606	(9,228,390)	272,627	-	14,712,440

Prior year	At 1 April 2024	Income	Expenditure	Gains and losses	Transfers	At 31 March 2025
Unrestricted funds						
General fund	5,201,794	7,824,450	(7,552,775)	101,963	55,570	5,634,002
Designated funds						
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	-	287,129	-	-	5,000,000	5,287,129
	15,213,114	8,114,579	(7,918,742)	101,963	-	9,876,914
Restricted funds						
Rolling equipment replacement	49,143	40,390	(63,734)	-	-	25,799
Other funds	53,511	40,792	(40,075)	-	-	54,228
Big Lottery Compassionate Communities	35,700	59,766	(47,810)	-	-	47,656
	138,354	140,948	(151,619)	-	-	127,683
Total	15,351,468	8,255,527	(8,070,361)	101,963	-	15,638,597

Notes to the financial statements (continued)
For the year ended 31 March 2025

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 £4,453,604 (2024 - £4,589,783) 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 fund currently holds a value of £5 million; however, the Trustees do not include this amount in their calculation of free reserves. The funds are ringfenced with the Trustees having the aspiration to raise £10m over the 7 year plan.

The unrestricted General fund together with the Capital Appeal fund total £10,921,131 which represents 13 months of net running costs.

The general fund at the year-end of £5,191,121 (2024 - £5,634,022) 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 2025

24. Net Assets by fund – current year

Group	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	4,453,604	-	4,453,604
Investments	6,512,808	-	6,512,808
Current assets	4,297,420	33,074	4,330,494
Current liabilities	(584,467)	-	(584,467)
Net assets	14,679,366	33,074	14,712,440
Charity	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	4,609,598	-	4,609,598
Investments	6,512,910	-	6,512,910
Current assets	4,236,507	33,074	4,269,581
Current liabilities	(475,897)	-	(475,897)
Net assets	14,883,118	33,074	14,916,192
Net assets by fund – comparative 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

Notes to the financial statements (continued)
For the year ended 31 March 2025

25. 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	
	2025	2024	2025	2024
	£	£	£	£
Income during the year	-	516,895	477,051	508,053
Expenditure during the year	-	-	-	-
Balance receivable at the year end	47,730	1,202,190	12,256	23,053

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.

Transfer from Retail Company

Following extensive research to identify the best possible course of action for the operations of St Michael's Hospice (Retail) Limited (Retail), the directors reached a conclusion that all the activities currently undertaken by Retail were capable of being carried out directly by the parent charity St Michael's Hospice Hastings and Rother (the Hospice) in furtherance of its charitable objects.

Effective from 1 April 2024, the Hospice and Retail merged in accordance with the provisions of the signed Asset Transfer Agreement. The directors of Retail and the Hospice resolved that Retail will transfer its assets, undertaking and activities, together with its obligations and commitments, to the Hospice for the Hospice to operate the activities of Retail in succession to it. The trustees of the Hospice resolved that it would be in the best interests of the Hospice and in pursuit of its charitable objects to accept the transfer of the assets, undertaking, and activities of Retail, together with Retail's obligations and commitments. Following the transfer it is intended that Retail will remain dormant.

A summary of the assets and liabilities transferred at 1 April 2024 is as follows:

	2025
	£
Land and buildings	852,000
Other fixed assets	560
Cash at bank and on deposit	289,688
Other current assets	27,815
Current liabilities	(1,171,085)
	<u>1,022</u>

A balance of £47,730 remains owing from the Retail company to the Hospice at 31 March 2025.

There are no other transactions with related parties to disclose.

Notes to the financial statements (continued)
For the year ended 31 March 2025

26. Contingent liabilities

There were no contingent liabilities as at 31 March 2025 nor at 31 March 2024.

27. Capital commitments

The charity had no building commitments as at the year-end (2024 - £nil).

28. Contingent assets

The charity was notified of one legacy (2024 – one) which is subject to a life tenancy or other such condition. The total amount of the legacy is estimated at £100,000 (2024 - £100,000). It has not been included in the accounts.