THE HEALTHCARE MANAGEMENT TRUST

England & Wales · Charity number 292880

Details

Other names	THE HOSPITAL MANAGEMENT TRUST
Status	Registered
Legal form	Charitable company
Company number	01932882
Registered	1985-11-15
Register	View on the Charity Commission register

Contact

Address	Healthcare Management Trust 1 Langdon House Langdon Road Swansea SA1 8QY
Phone	02072221177
Email	ahayward@hmt-uk.org
Website	www.hmt-uk.org

Activities

Objects: TO RELIEVE SICKNESS BOTH PHYSICAL AND MENTAL AND TO PRESERVE AND PROTECT GOOD HEALTH BY SUCH CHARITABLE MEANS AS THE DIRECTORS MAY DECIDE.

Activities: provision of services for the continuation and development of charitable hospitals and care homes in the United Kingdom

Classification

- **How:** Provides Services
- **What:** General Charitable Purposes, The Advancement Of Health Or Saving Of Lives
- **Who:** Elderly/old People, The General Public/mankind

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Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£54,367,852	£54,152,573	£21,213,181	594
2023-12-31	£50,559,188	£48,555,348	£20,997,902	627
2022-12-31	£45,561,704	£47,271,819	£18,994,063	594
2021-12-31	£38,964,812	£40,565,275	£20,745,218	549
2020-12-31	£29,271,519	£30,444,773	£22,122,943	536

Trustees

Name	Role	Appointed
DYLAN JONES		2013-03-04
Dr Michael Emad Asham Shenouda		2023-07-26
Faiz Shivji		2025-01-13
GLEN VON MALACHOWSKI		2016-04-20
Janis Sanders		2022-05-25
Lisa Jane Geary		2022-05-25
Mark Gerold		2015-09-16

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THE HEALTHCARE MANAGEMENT TRUST

England & Wales - Charity number 292880

Accounts

HMT
HEALTHCARE MANAGEMENT TRUST

ANNUAL REPORT

YEAR TO DECEMBER 2024

COMPANY LIMITED BY GUARANTEE REGISTRATION NUMBER: 01932882 (ENGLAND AND WALES)
CHARITY REGISTRATION NUMBER: 292880

EMPOWERING PEOPLE AND INNOVATING HEALTHCARE, TOGETHER.

750

Average number of employees across HMT

HMT Hospitals rated

4.9 out of 5

on Doctify

HMT Care Homes average rating of

9.1 out of 10

on Carehome.co.uk

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The Directors, who are the trustees for the purposes of charity law and directors for the purposes of company law, present their Annual Review and statutory directors report (including Strategic Report) together with the financial statements of The Healthcare Management Trust for the year ended 31 December 2024.

CHAIR OF TRUSTEE'S STATEMENT

I will, in September of 2025, have completed three years as Chair of HMT (and rather longer as a Trustee!), and I am delighted to write that I find the charity in great health and vigour, and adding much to all of the communities in which we aim to serve.

We are extremely fortunate to have wise and generous Trustees, a compassionate and deeply professional Executive Team, and now approaching 750 colleagues who bring to bear their skill and kindness every single day. Only thus can we deliver successful care and outcomes to the nearly 50,000 people we look after each year in our two hospitals and our four care homes.

Furthermore, we have emerged since the COVID pandemic as a much stronger organisation. Several years of loss-making are now well behind us - indeed, in just the last few years, we have opened a wonderful new purpose-built hospital, Sancta Maria, in Swansea; a model care home, Norden House, in Sussex; and have acquired another sector-leading home, St Quentin, in Staffordshire.

All of this growth has occurred in parallel with further investment in the fabric and the people of our other two care homes, Marie Louise House and Coloma Court, and at St Hugh's Hospital.

Dylan Jones
Chair
19 September 2025

CHIEF EXECUTIVE'S STATEMENT

During this financial year, HMT has made significant strides in delivering on our growth strategy while remaining firmly rooted in our mission to provide niche health and social care services and exceptional care to patients and residents. I am proud to reflect on a year marked by progress, innovation and a deepening of our commitment to those we care for.

One of the most important milestones in our development was the acquisition of St Quentin Residential Home Ltd. This strategic expansion strengthens our position in the health and social care sector and brings a wealth of expertise and new perspectives into our organisation. It also extends our ability to deliver high-quality, compassionate care to more individuals, ensuring continuity and excellence across a broader network of services.

Alongside this growth, we have continued to invest in our digital transformation. from the integrations of new technologies in clinical practice to the enhancement of systems that support our teams, we are ensuring that innovation drives better outcomes for residents, patients and our people. Technology is not just changing the way we work, it is enabling us to deliver safer, more personalised care, with greater efficiency and insight.

Equally important has been our ongoing focus on culture, learning and quality improvement. The rollout of the Patient and Resident Safety Incident Response Framework across all HMT sites, including care homes and our services in Wales, demonstrates our leadership in adopting a systems-based approach to safety and continuous improvement.

As we look ahead, our strategy remains clear: to grow responsibly, embrace innovation, and uphold the high standards of care that define HMT. I want to thank our people, partners, patients and residents for their continued support.

Nichola Stefanou
Chief Executive Officer
19 September 2025

TRUSTEES'/ DIRECTORS' REPORT

INCLUDING SECTION 172 STATEMENT AND STRATEGIC REPORT

ABOUT HMT

HMT was established in 1985 with the aim of relieving sickness, both physical and mental, and the preservation and protection of good health. HMT raises no voluntary income; HMT's work is funded solely through its operating income, investments, and reserves. HMT provides access to all, without regard to the route patients and residents take in coming to us. HMT has historically had strong links to several religious orders.

1985 – HMT founded. The ownership of St Hugh's 47 bedded hospital, then located of Princes Road, Cleethorpes, was transferred to HMT from the Sisters of the Order of St Joseph of Peace.

1988 - HMT takes over the management of Sancta Maria Hospital in Swansea from the Ursulines of Jesus.

1994 - St Hugh's 32 bed hospital on current site on Peaks Lane, Grimsby opens.

1996 - HMT purchases Sancta Maria Hospital from the Ursulines of Jesus.

2005 - HMT opens and lease operates Marie Louise House, a new 46 bedded care home in Romsey Hampshire.

2007 – HMT opens and lease operated a new purpose built 62 bedded care home, Coloma Court, in Bromley Kent.

2015 - Upgrade to State of the Art Theatres at St Hugh's. Two state of the art Lamina Flow theatres were installed to ensure patients have access to the latest technology.

2016 - Further modernisation at St Hugh's. The hospital began a full refurbishment including patient rooms and waiting areas. HMT are committed to continuous improvement to ensure patient comfort and safety.

2019 - Construction of the new state-of-the-art HMT Sancta Maria hospital and advance diagnostics unit commences in Swansea's SA1 waterfront district.

2020 - St Hugh's responds rapidly to the global pandemic by creating a 'Covid Secure' facility and providing additional elective and cancer services to the NHS. This ensures the safe treatment of non-Covid patients and provides staff and equipment to the wider healthcare system in its battle against the infection.

2021 - The new purpose-built HMT Sancta Maria Hospital opens on the 15th February.

2024 - Opening of Norden House Care Home in February.

2024 - Purchase of St Quentin's Residential Homes Ltd in September.

St Hugh's Hospital

Acute Hospital

Located in Grimsby

Sancta Maria Hospital

Acute Hospital

Located in Swansea

Coloma Court Care Home

Care Home

62 Beds

Located in Bromley

Marie Louise House Care Home

Care Home

46 Beds

81 Team Members

Located in Romsey

Norden House Care Home

Care Home

64 Beds

Located in West Sussex

Shared Support Services

45 Team Members

St Quentin Care Homes

Care Home

74 Beds

Located in Newcastle Under Lyme

CHARITABLE MISSION

Provide market leading **care solutions** to those with **complex needs** within **marginalised** and **deprived** community settings.

VISION

To be the most **innovative** and best **quality** provider of **niche** health and social care services.

PURPOSE

Our purpose is to **make every contact count**, ensuring every **resident** and **patient** receives the best possible experience and outcome.

We focus on **teamwork** and put our **residents**, **patients**, and **people** first in everything we do. Doing the right thing for them is our top priority.

We're always looking for new and better ways to do things, staying connected with the latest and **best practices** out there. We're not afraid to be **bold** and **change** things for the better.

We love what we do, and so does our team. We bring our **true selves** to work, finding **joy** and **fun** in our tasks. We provide **care** and **clinical** services with **compassion**, making sure they meet each person's unique needs.

OUR STRATEGY & MISSION

Throughout 2024, we have significantly enhanced our strategy for developing HMT. We introduced a comprehensive five-year strategic plan, embarking on a thoughtful journey to better understand our organisational identity and aspirations.

Recognising the profound impact of our work within the health and social care sector, we have begun to craft a strategy that embodies our commitment to excellence in service. This vision inspires innovation and continuous improvement while emphasising our dedication to the well-being of the communities we serve.

By clearly articulating our strategic plan, we effectively communicate our values to stakeholders, including patients, residents, team members, and partners. This transparency fosters trust and cultivates a collaborative environment where all individuals feel valued and motivated to contribute to our collective success.

As we look ahead, we are excited by the opportunities that await us. We are developing a compelling vision that resonates with our teams, encouraging them to use their talents and expertise to make a meaningful impact in their local communities. Our ongoing focus is on identifying and nurturing the talents of our people, as they are our greatest asset.

Over the past year, our central and on-site teams have worked to embed our mission, vision, values, and behaviours, setting a high standard in the care they provide. Our strategic efforts have also prioritised the integration of technology and innovative practices to enhance the quality and efficiency of our services. By embracing digital transformation, we are not only streamlining operations but also creating more personalised and accessible care experiences for those we serve.

Furthermore, we are committed to fostering a culture of inclusivity and diversity across HMT. We believe that a diverse workforce brings a wealth of perspectives and ideas, driving creativity and innovation. We have begun implementing programs that support professional development and career advancement for all team members, ensuring that everyone has the opportunity to thrive.

Looking towards the future, we are excited to expand our partnerships with local communities and organisations. These collaborations will enable us to extend our reach and amplify our impact, addressing the unique needs of different populations and enhancing the overall health and well-being of our society.

2024 ORGANISATIONAL PRIORITIES

A number of priorities were identified and agreed for delivery in 2024. These included:

Efficiencies

- Achieve 2024 budget - activity.
- Achieve 2024 efficiency/savings.
- Complete projects in train which enable improved ways of working.
- Introduce new systems.

People

- Achieve unification across the organisation by organisational redesign.
- Unify clinical elements of service delivery across sites.
- Implement new pay framework.
- Measure and improve colleague satisfaction.

Strategy

- Launch new HMT strategy.
- Implement new values, behaviours, mission and purpose.
- Undertake detailed commercial assessment in relation to new business development.

Culture and Values

- Engage colleagues in new behaviours and values.
- Implement clear communication and marketing strategy that promotes brand awareness and includes new website.
- Launch revised quality governance approach with a focus on patient safety across all sites.

Assurance of full performance against these priorities was reported to Board in December 2024, the details of delivery of which are contained in further detail in this report.

HMT HOSPITALS & CARE HOMES

HMT operates both hospitals and care homes across England and Wales. With two private acute hospitals, one in Swansea and one in Grimsby - providing general surgery, investigations and supporting their local NHS integrated Care Boards by providing NHS surgeries to reduce waiting times.

HMT also operates four care homes, which has grown from the previous year due as a result of the acquisition of St Quentin Residential Homes Ltd in 2024.

HMT is really beginning to grow its care offering and expand services in with it provides throughout all its sites.

Compliance:

Our services are regulated by both the Care Quality Commission (CQC) and the Healthcare Inspectorate Wales (HIW).

TREATMENTS & CARE PROVIDED ACROSS HMT HOSPITALS & CARE HOMES

OPHTHALMOLOGY	ORTHOPAEDICS	GENERAL SURGERY	PLASTIC SURGERY	GYNAECOLOGY
UROLOGY	ENT	GASTROENTEROLOGY	VASCULAR SURGERY	ELDERLY CARE

Health Inspectorate Wales inspection of Sancta Maria Hospital:

Healthcare Inspectorate Wales (HIW) completed an unannounced inspection at Sancta Maria Hospital, Swansea on 25 and 26 June 2024. The following hospital wards were reviewed during this inspection:

- Inpatient ward
- Day care ward
- Theatres

The inspection team comprised of two HIW Healthcare Inspectors, three clinical peer reviewers and one patient experience reviewer. The inspection was led by a HIW Senior Healthcare Inspector. During the inspection patients or their carers were invited to complete a questionnaire to tell HIW about their experience of using the service. Staff were are invited to complete a questionnaire to give HIW their views on working at the hospital.

The report praised the hospital for its outstanding patient care, safe and effective environment, and positive workplace culture. This recognition demonstrates our dedication to delivering high-quality private healthcare services in Swansea and throughout West Wales.

The HIW inspection highlighted the excellent patient experience at Sancta Maria Hospital, with patients consistently reporting high levels of satisfaction. They particularly noted the kindness, compassion, and professionalism of our team. The hospital's cleanliness and maintenance were also commended, contributing to a welcoming atmosphere for patients and visitors.

The hospital was recognised for its safe and effective care practices, including a strong focus on infection prevention, medication management, and person-centred care. Our multidisciplinary approach ensures that each patient receives comprehensive and individualised treatment.

The HIW report also praised our management and leadership, highlighting the positive work environment and supportive culture fostered by our leadership team. Our people expressed satisfaction with the open and collaborative atmosphere, which contributes to the overall quality of care provided. There was also acknowledgement of the hospital's effective auditing, recruitment, and training processes as key strengths.

This recent HIW inspection reaffirms our commitment to providing the highest standards of care, which is a testament to our dedicated team, who make this possible every day.

"This inspection report from HIW is a testament to the dedication and hard work of our entire team at Sancta Maria Hospital. We are committed to providing the highest standards of care. Our patients deserve nothing less than safe, effective and compassionate care, and we will continue to build on this success to maintain those standards."
Hospital Director, Jude Hall

Regulatory summary

	Coloma Court	Marie Louise House	St Hugh's	Sancta Maria	St Quentin's
Overall current CQC /HIW Rating	Outstanding	Good	Requires Improvement	HIW - no grading provided	Good
Last Focused Inspection Date	04/08/2020	31/01/2022	05/03/2019	25 and 26/06/2024	05/12/2023
Review of data	Nil concern raised	Nil concerns raised	No outstanding concerns.	No actions or concerns raised.	No outstanding concerns.

Norden House is yet to be inspected.

High-quality and innovative care across our sites and services

Over the past year, we have made great strides to continue to develop and expand our services and find new ways of providing quality care to people with a range of complex needs.

Fighting sepsis

Sepsis is a life-threatening condition that arises when the body's response to an infection injures its own tissues and organs. However, symptoms are hard to spot, and as a result, it claims 11 million lives around the world every year.

To raise awareness of sepsis and discuss the management and education of the condition among clinical teams working in hospitals and community settings, our teams joined with Humber Health Partnership to hold The Sepsis: Together We Can Succeed Conference. The inaugural event was attended by more than 140 health professionals, based across North East Lincolnshire & the Humber.

The conference, which was shortlisted for an HSJ Partnership Award, was the beginning of a range of activities to improve sepsis detection and treatment, including a Sepsis Support Group to help others with their experiences.

Workshops have taken place across our care home sites to ensure healthcare professionals in the community can spot the signs early. The sessions align with the recent NICE guidelines update on Sepsis (Jan 2024), the UK Sepsis Trust Tool update and Martha's Rule.

From Left: Mags Guest, HMT's Head of Learning & Development with speakers and organisers of the Sepsis: Together We Can Succeed Conference.

"Every year in the UK at least 250,000 people contract sepsis and 52,000 of these will die as a result. There is no single symptom, and it can present differently, so our clinical teams must be supported to be vigilant about this life-threatening condition."
Mags Guest, Clinical Educator.

Keeping our patients and residents safe

Patient and resident safety is one of our highest priorities. Our patients and residents must feel safe when they trust us with their health and personal care. Over the year, we have continued to embed the NHS England Patient Safety Strategy (2019) and associated Patient Safety Incident Response Framework (PSIRF), in all of our hospitals and care homes in England and Wales, as best practice. We are developing new ways of working across our hospitals and care homes to improve outcomes and the way our safety is monitored.

A fundamental element of PSIRF is the Patient Safety Incident Response Plan (PSIRP), which is based on the review of numerous quality insights and sets out our local priorities for safety improvement over the next two years. This includes how we respond when a safety event occurs as well as quality improvement activity based on existing learning. We have recently re-evaluated, updated and published our PSIRP as part of that continuous improvement journey.

A Learning Team is one form of learning response implemented at HMT. It is used to learn from everyday work to help inform patient/resident safety and quality improvement. A Learning Team is a multi-disciplinary review of a systemic safety issue (theme/recurring issue) or a complex problem. The intention is to understand what needs to happen for care or service provision to go well, and what gets in the way of that sometimes (the barriers). This then enables improvement work to be directed in the right places. It empowers learning from good practice/excellence, not only from adverse incidents.

The critical part of this is that the Learning Team focuses on the 'Work as Done', by those who do it, as opposed to the work as we imagine it to be, how it is prescribed in policies or as it is disclosed following an event. This aids understanding of the 'real work' to make real improvements.

Using the Systems Engineering Initiative for Patient Safety (SEIPS) framework, the team uses a human factors approach to a situation. This focuses on the system our staff work in, rather than the staff themselves. It not only prompts us to consider the different variables at play but also how they might interact, together with the positive and negative implications on people and processes.

We are delighted that all our sites are enthusiastic about the changes and trying new tools and techniques. Further systems investigation and involvement training is planned for 2025.

A patient and resident safety culture survey was undertaken in 2024 to highlight best practice and reveal areas which require support. Some of the key findings included:

86%

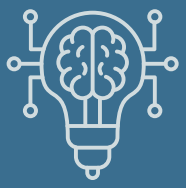
Agree or strongly agree they are encouraged to report no harm and near-miss incidents

Feel the organisation tries to learn from incidents to make care safer but would like to hear more about the learning from other sites than their own

80%

77%

Think HMT is good at learning from excellence/ good practice



Feel there is not enough time given to investigation

52%

63%

Of respondents said incident investigations focus on the work as it is done, by those who do it, rather than work as imagined or prescribed in policies

Agreed that the organisation puts the focus of incident investigations on systems and processes improvement, rather than blaming staff

70%

Meet the new Head of Patient Safety and Improvement

Ashleigh Jack joined HMT in June 2024 as the new Head of Patient Safety and Improvement, and our registered Patient Safety Specialist. Having spent 20 years in the NHS, she brings a wealth of skills and expertise to the organisation. Her role is new to HMT, reflecting our commitment to continuing to improve our safety processes and outcomes across all sites.

"There is nothing more important than keeping our patients and residents safe during what can be one of the most vulnerable periods in their lives. When something goes 'wrong' for a patient or resident, the conditions are usually the same as when it goes right, so sometimes we need to dig deeper to understand what was different and why. To ensure lasting improvement is made from any incident, we need to have a psychologically safe culture that empowers people to share and learn. And that goes for when things go well, too, which is most of the time. I'm really proud of the commitment to changes we've made over the past year and everything we have planned for the year ahead, that are having a positive impact in the way we work. It's been a pleasure to be part of this journey."

Award-winning patient safety

St Hugh's received the Gold National Joint Registry Quality Data Provider Award for 2024, building on the silver status the hospital earned in 2023; and Sancta Maria received the Silver National Joint Registry Quality Data Provider Award.

The NJR monitors the performance of hip, knee, ankle, elbow and shoulder joint replacement procedures to support work to improve the clinical outcomes for the benefit of patients, as well as to provide feedback on surgical performance to orthopaedic clinicians and joint replacement implant manufacturers.

Our teams received the awards after completing a national data quality audit programme for the hospital, which assessed the hospitals' standard of patient safety, standards in quality of care, and overall value in joint replacement surgery. The NJR Quality Data Provider Scheme aims to help healthcare providers identify best practices, seek improvements and ensure patients receive the highest quality of care.

A lot of work has been taking place within our care home settings in relation to reducing preventable falls too. This includes education and the sharing of knowledge and experience between our sites. Staff at Norden House are working alongside our residents and their families to create educational materials to help everyone understand why falls occur and how to prevent them. Working with our residents in this way ensures we capture their valuable experiences and insights, including what matters to them, as part of keeping them safe and well. These resources will then be shared with our other care homes as we work together to achieve this for all of our residents.

Coaching patients prior to surgery

St Hugh's has formed a new partnership with Peak Health Coaching to improve the health and wellbeing of patients before and after orthopaedic surgery.

Research has shown that improving the physical and mental health of people before medical treatment can improve outcomes.

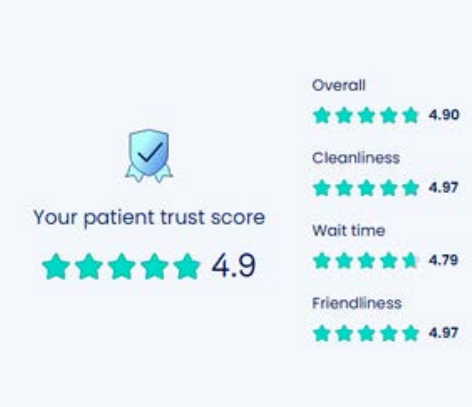
The pilot programme involves 100 patients due to have hip or knee replacements at St Hugh's. Patients complete a questionnaire to self-assess their level of knowledge, confidence and skills to manage their health. This creates a score, and depending on their level, patients will receive up to three coaching sessions before their operation, in which they receive bespoke advice and support on health and wellbeing management. The aim is to empower patients to consider and plan ways to pursue what matters most to them in life and how to make the best out of their surgery.

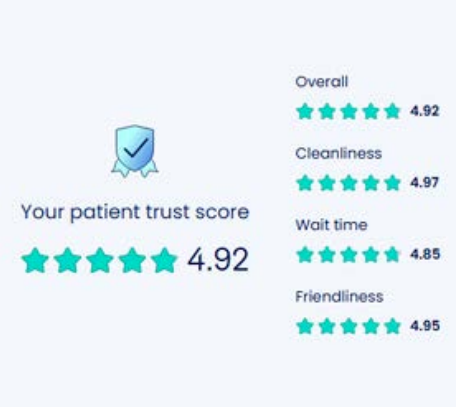
After their operation, patients will self-assess again to see if their baseline score improves. Other measurements such as length of stay in hospital will also be measured.

PATIENT & RESIDENT ENGAGEMENT

HMT services received positive feedback from patient/residents throughout 2024. At St Hugh's Hospital, 242 patients gave feedback with 95% rating their care as 5 stars on Doctify. Of patients attending Sancta Maria Hospital 94% rated their care as 5 stars on Doctify.

Our care homes continued to receive positive feedback via the UK Care Home review website, carehome.co.uk, with our overall average rating across our care homes being 9.1 out of 10.





Quality care for our communities

Our specialist care homes provide a safe, comfortable, and supportive environment for those with complex care needs, including dementia care. With a commitment to personalised care, our homes are designed to enhance quality of life, offering warmth, community and peace of mind for both residents and their families.

A new home with a difference

We were incredibly proud to open our third community care facility in West Sussex, specifically designed to empower our residents to continue living full and satisfying lives.

Providing residential care, nursing and specialist support for people with dementia, Norden House in Littlehampton, was inspired by research into what people with dementia want from the built care environment and the Hogeweyk in dementia village in Holland.

The leased £10 million facility can welcome up to 64 people with varying needs in a 'home from home' environment.

Residents live with up to seven other people in a household, who have similar care needs or are at a similar stage of dementia, important for reducing stress and encouraging socialisation. Each household has its own kitchen, open plan lounge dining room, day lounge spaces and ensuite bedrooms many of which have their own patio. Running through the centre of the community is a 'high street' with a café and hair salon. There are also gardens and a holistic therapy room. Residents are encouraged to go about 'daily routines' and contribute to the running of village life.

Since opening, we have introduced a companionship café to encourage our neighbours to visit and a diverse activities programme for our residents including trips to local attractions, visits from school children and cooking and singing.

Sue Alexander's mum Anne Bevan, 87, has recently moved into Norden House following her diagnosis of Alzheimer's Disease last year.

She said: *"Knowing that mum was going to be in a place where she could retain her independence and be comfortable was very important to us. Everyone at Norden House has been extremely supportive and helpful and mum is already starting to feel at home."*

Welcoming Andrea

Marie Louise House in Romsey continues to deliver compassionate and quality respite, nursing care and dementia care to 46 residents.

Care Leaders at Marie Louise House have have received specialist training through the Mountbatten End of Life Programme, to be able to deliver end of life care for the residents and their families.

This year, Andrea Barker joined HMT to lead both Marie Louise House and Norden House. The new Area Home Manager for the south is a new role for the Trust. Using nearly 40 years of experience as a registered nurse, Andrea is responsible for maintaining excellent standards of personalised care across both sites, as well as ensuring a safe and positive environment for staff.

Andrea said. "As we get older, many of us want to continue to do the things we have been doing, we just need a bit of help doing it. Both Norden House and Marie Louise House provide safe and welcoming spaces for older people. I have enjoyed getting to know the residents and the staff and look forward to developing our services to continue to support people to thrive and live in comfort."

Digitalising care at Coloma Court

This year, we have made excellent strides forward in using digital technology to improve our care. Providing nursing, respite and dementia care in the heart of Bromley, London, Coloma Court is at the forefront of this exciting area.

Care homes face a significant challenge in how to maintain a comprehensive understanding of residents' wellbeing at all hours of the day. Despite the dedication and attentiveness of care staff, there are inevitably gaps in observation, particularly during night time hours or when residents are alone in their rooms. These gaps can lead to missed opportunities for early intervention or failure to recognise subtle changes in a resident's condition.

To meet this challenge, we partnered with 2iC-Care to pilot the Andi system at Coloma Court. Andi is a remote monitoring system, which keeps track of an individual's movements, light levels, accessing the bathroom and watching television. Sensors are placed around a resident's room to capture the data 24 hours a day.

It had a positive impact across our care, including early detection of UTIs and improving lighting in residents rooms. We also added an extra sensor to one resident's walking frame to help us understand if the resident was using it effectively. The data helped us to instigate crucial conversations and proactively support health.

Through the pilot, sleep was highlighted as an area which needs attention. We observed frequent toilet visits, high levels of TV watching through the early hours of the morning and general restlessness among our residents. To address sleep disturbance, we have started working with six residents who have difficulties sleeping, to test out interventions to improve sleep. Ten members of the team have received training from The Sleep Charity and are now called our Sleep Pioneers. Through this work, we've identified diverse issues from drinking caffeinated drinks later in the day to anxiety about hospital appointments to pillows not being comfortable. Our residents and families have been really engaged in the project and it has also helped our staff consider their own sleeping habits.

Welcoming a new location

In September last year, we were pleased to bolster our provision with the acquisition of St Quentin Residential Homes Ltd in Staffordshire via a share purchase agreement. This was a wonderful opportunity for us to expand our locations, and during the first few months, we have been getting to know the 72 residents and their families as well as developing plans for the site in partnership with the local authority.

We are at the very start of a strategy to reimagine the support we offer at St Quentin, which is especially important with people who have high levels of 1:1 care. We are working with the local integrated care board to understand how we can and should be providing bespoke and therapeutic interventions that maximise their quality of life.

SUPPORTING OUR PEOPLE TO THRIVE

At the heart of our success is our dedicated staff, whose skills, commitment and expertise drive the highest standards of care. We believe that investing in our staff's learning and development is key to, not only empowering our teams to grow both personally and professionally, but to enhancing the quality of care we provide to our patients and residents.

We appointed a Head of Learning and Development for HMT. Mags Guest joined the Trust in 2022, with years of experience in the NHS and as a university lecturer in nursing, her knowledge and insight quickly started to transform staff development at St Hugh's Hospital, where she was based. She was encouraged to share this expertise across all sites to allow all staff to benefit.

"I'm really passionate about learning and giving people the tools to develop themselves to their full potential. When our staff thrive, then our communities thrive. If we can encourage staff to develop and learn then our patients will have better outcomes and ultimately that's what we are all here for."
Mags Guest, Head of Learning & Development

Leaders of the future

At HMT, we are proud to promote from within. We believe that any member of staff should be given every opportunity to expand their knowledge and move on to new roles to develop their skills and expertise.

Our nine-month leadership development programme covers a range of valuable learning experiences, including 360-degree assessments and personal development planning, Chartered Management Institute (CMI) management learning, strategic leadership workshops and ACCA training for non-finance managers.

A cohort of eight of our senior management team took part in the first programme in 2024, which also included one-to-one coaching, situational leadership and 'Leading People Through Change ' learning modules, providing the group with key skills to lead with authenticity, confidence and adaptability.

Staff engagement

As we develop our services and sites, it's important to fully engage with our staff across every aspect of the Trust. Our teams need to know what's happening across our organisation and have the opportunity to tell us what they need in order to deliver the care our patients and residents deserve. Over the past year, we've developed the HMT Strategy and carried out in-person workshops so our staff can start embedding them within their everyday practices.

We've enhanced our internal communications activity through our intranet site, where team members are encouraged to share best practices, highlight positive stories from each site and show appreciation to colleagues with thank you value cards, which specifically highlight colleagues who have gone above and beyond. This activity has increased collaboration and connectivity and laid solid foundations for us to create a 10-year strategy for the Trust, which we will continue to develop over the next year.

Gender Pay Gap

HMT is committed to complying with all Gender Pay Gap-related legislation, reporting process and procedure, and the eradication of any gender-based inequities discovered.

In comparison to the previous period, HMT has seen a slight increase in the gap. However, as the workforce is made up of a significantly higher numbers of females compared to males across all levels, this data is sensitive to minor changes in the make-up of the workforce (for example, two additional male appointments in the upper-middle quartile, resulting in a widening of the gap at this level from 3.05% in 2023 to 4.78% in the 2024 period).

We are however, encouraged that the gap overall remains low and has further closed at upper quartile level, from 1.74% in 2023 to 1.18% in 2024.

Recruitment and Retention

There is a national shortage of healthcare workers. The World Health Organisation estimates there will be a healthcare workforce gap of around 14.5 million by 2030.

Most recent reports indicate turnover in the Health and Care sector has risen to 28% and is set to continue to rise in 2025. With some sectors reaching 35% attrition, the benchmark for a 'good' staff turnover is suggested to be 16% or less.

Despite this, staffing across HMT sites has remained largely stable. The global employee turnover rate has risen from 18% in 2023 to 20% in 2024 (The Work Institute).

Our leadership team remained largely stable throughout 2024.

Diversity, Equity and Inclusion

In readiness for 2025, we have appointed DEI Champions from across our HMT sites and offices, to support us in developing and expanding our DEI efforts. Between the Champions and our leadership team, we have developed a DEI commitment statement:

Everyone is welcome, can be their true selves and feel a sense of belonging at HMT. We champion the diversity people bring and the value this adds to our work.
Our inclusive culture supports us to always do the right thing for our people, patients, residents, and the communities we serve, especially those in marginalised and deprived settings.
As an employer and service provider, we celebrate each person's uniqueness and endeavour to meet their individual needs.

In 2025 we intend to expand this work, which has begun with a survey of our people. The key findings from this survey

- No respondents felt HMT represents individuals from diverse backgrounds and identities poorly
- 70% of responses felt HMT represents individuals from diverse backgrounds and identities "Well" or "Very Well"
- 82% of respondents agreed that varied perspectives are encouraged and valued during decision making
- 85% of respondents would recommend HMT as a fair place to work
- 91% of respondents feel they belong amongst their peers/colleagues.

Our people have all had an opportunity to provide input to the initiatives we will focus on this year, and we are working together to develop this programme.

At HMT, we are committed to fostering an inclusive environment where people of all abilities can thrive. We recognise disability as a key aspect of diversity and are dedicated to ensuring accessibility, equity, and opportunity across all areas of our organisation.

In accordance with statutory requirements, the organisation has applied the following policy during the financial year:

- Full and fair consideration is given to all applications for employment by disabled persons, having regard to their particular aptitudes and abilities.
- We are committed to continuing the employment of, and arranging appropriate training for, employees who become disabled during their tenure with the organisation,
- We also ensure that disabled employees are provided with appropriate opportunities for training, career development, and promotion within the organisation.

This year we have, and will remain, focused on removing barriers and promoting full participation for all HMT team members. Our commitment to disability inclusion, and, in fact, inclusion at all levels, is not only a matter of compliance - it is a reflection of our values and an essential part of who we are.

Recognising our people

Recognising our people has been a highlight this year. In two standout ceremonies, more than 100 members of staff were honoured for their compassion, dedication and innovation.

The Long Service Awards recognised those who have been with HMT for 20, 15, 10, 5 or 3 years. Staff received special certificates and vouchers at events at their place of work.

Freedom to Speak Up - Raising the Bar in Private Health and Adult Social Care

As a UK-wide charity delivering private and NHS adult healthcare and adult social care services, has gone beyond the mandatory requirements by implementing the Freedom to Speak Up (FTSU) Guardian role across all its services. HMT recognises the critical role this position plays in improving care standards and enhancing safety.

Extending Freedom to Speak Up Beyond Requirements

The Freedom to Speak Up Guardian role is only mandatory in NHS hospitals or hospitals providing contractual NHS care. However, HMT has voluntarily extended this role to support its hospital in Wales and its care homes across the UK. This ensures every team member, from care assistants to consultants, feels empowered to speak up about safety and quality concerns.

HMT has appointed a dedicated Freedom to Speak Up Guardian and established a network of Champions across all its sites. These Champions represent diverse roles, promoting the initiative and ensuring it is accessible and relatable for all staff.

Leadership Commitment Across the Charity

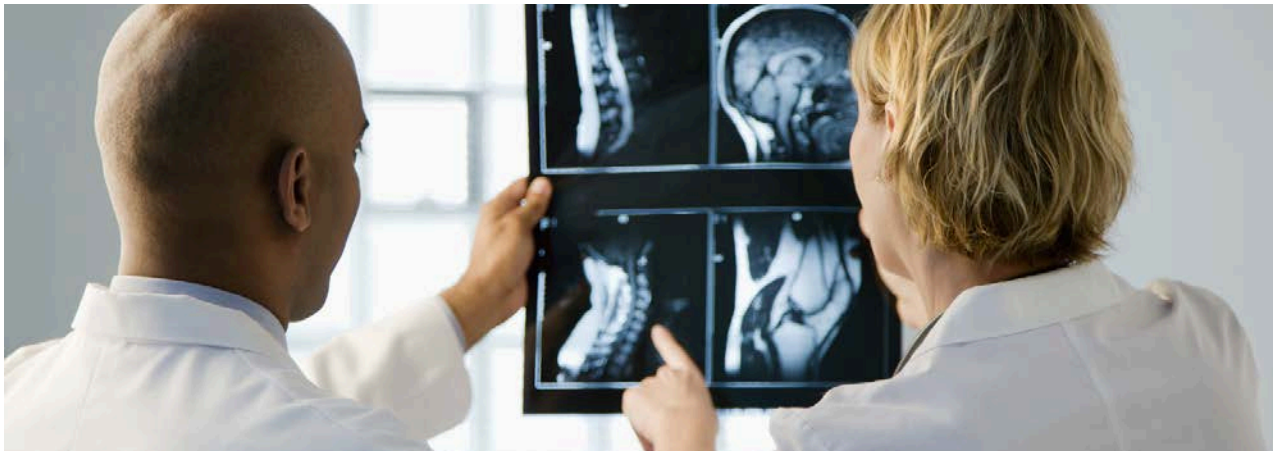
HMT wanted to ensure that a culture of speaking up is adopted by leaders within the organisation, which has been demonstrated by the appointment of a Trustee Lead for Freedom to Speak Up. This individual ensures senior leaders are held accountable for maintaining an open culture across all sites. Regular governance reports and annual reviews further support this continuous improvement.

Listening to Staff and Improving Care Through Feedback Every October

HMT celebrates Annual Freedom to Speak Up Month, engaging staff through events, surveys, and feedback sessions. Insights gathered during these activities lead to actionable outcomes, shared with staff via “You said, We did” updates. This approach has fostered a much stronger speaking-up culture across the organisation, where staff feel valued, contributing to improved practices and higher-quality care in both hospitals and care homes.

Impact on Private Health and Adult Social Care

HMT’s prioritisation of the Freedom to Speak Up initiative and the embedding of the Guardian role across the organisation has built greater trust among staff, patients, and families. It has reduced barriers to raising concerns and improved staff morale.



TECHNOLOGY

Technology is a key enabler in the delivery of our strategy. During 2024, many of our projects have focused upon the introduction of new systems to HMT.

Compucare

Compucare is our patient administration system that is used at both hospitals for several years.

Outpatient reports now automatically feed through to the Compucare patient record, eliminating the need for manual, time consuming processes. Completed outpatient reports are instantly available to view electronically, meaning there is no longer a need to print reports and physically give them to consultants. This streamlines the process and supports the delivery our sustainability approach, together with cost savings. Patients can also have access to their images and reports via web browser, meaning we no longer need to use USB keys or DVD's, saving time. The project is continuing to streamline process for inpatient services.

In 2024, as part of the extended Compucare project online bookings via a patient portal was launched for our hospitals. During the website redevelopment project, this was a highlighted area where we could improve and simplify the digital patient journey across hospitals to allow patients to choose and book appointments online. The patient portal is also used to share communications and pay a deposit to secure an appointment.

MHR iTrent

We have worked to continue developing MHR iTrent in 2024. This system has provided an integrated HR, Payroll and Time and Attendance approach, which is assisting in the management of HR , Payroll and Operational functions.

We now have more robust HR record keeping processes and have a modern central database for all employee records including new starters and leavers, resulting in consistent and easy access to this information. All staff can now record work absences, such as sickness and annual leave directly into iTrent simplifying day to day oversight for managers. The integrated approach reduced the number of payrolls from 5 to 1 and removed duplication and manual data entry, streamlining payroll and paid-time processes, and generated online payslips for employees.

In 2025 we will continue to roll this software out with the Time & Attendance elements going live for all operational services, with online rostering and staff clocking in with biometrics; launching Datamart, a suite a reporting tools which creates dashboards based on all data stored in iTrent; rolling out the Onboarding & Recruitment Modules to standardise and simplify the process.

Ulysses

Ulysses incident and risk management system was introduced in 2024 to replace Datix. Ulysses brings together the different strands of incidents, risk, customer care and experience giving a complete picture of risk, patient safety & governance within the organisation. The following modules of the system were implemented in 2024:

- Risk
- Incidents
- Alerts
- Compliance
- Audit Feedback (compliments, comments, concerns and complaints)
- Litigation

The introduction of Ulysses has afforded us more internal control and influence over the development, configuration and functionality of our incident and risk management system. It has improved staff experience of using such a system and has afforded us increased flexibility to respond to requests made for information. It has assisted us in:

- Unifying reporting: Ulysses has helped us to standardise procedures and ensure consistency across HMT.
- Providing better analytics: with Ulysses, we have been able to report and identify patterns, themes, and potential for improvement across the organisation.
- Boosting our safety culture: Ulysses has actively supported the implementation of PSIRF, helping us foster a culture of continuous safety improvement.

The incident management system is highly configurable, with multiple levels of escalation, ensuring that incidents are followed up, and feedback is provided. Learned actions are identified and shared throughout the organisation via dashboards and reporting processes.

We have implemented an on-line risk register, with a hierarchy of corporate, divisional and departmental risks managed at different levels. It enables clear recording of controls and actions to mitigate a risk. Risk review reminders are disseminated throughout the organisation.

In 2025, we will further embed Health & Safety Risk Assessments in Ulysses providing assurance that HMT is a safe organisation. Ulysses will also be used to record all Out of Hours contacts when staff are On Call to allow Operations to explore any patterns and trends. The system will be developed further to become HMT's Information Asset Register/ROPA (Record of Processing Activities) which is a regulatory requirement to comply with Information Governance protocol.

Assistive Tech sensors at Coloma Court

In 2024, the Assistive Technology Project partnered with 2ic-Care to introduce technical innovation into our care homes, it encouraged data driven decisions focussing on:

- Reducing falls
- Reducing infections or the impact of these on the health of our residents
- Targeting support effectively to improve socialisation and reduce loneliness and improve wellbeing
- Taking a view on responsiveness of the team and effectiveness of care plans

26 resident rooms had equipment installed such as smart plugs, PIR sensors monitoring movement, door sensors, and room temperature all monitored by the ANDI Hub which was integrated with the Nurse Call system on site. Working with 2ic-Care's technical team, we shaped the data produced into usable reports that provided insights such as monitoring disturbed sleep, data driven decision making, positive resident and family feedback, and producing real case studies. The project was a success and provided clear evidence that assistive technology is a benefit which should be rolled out beyond a pilot scheme and this will be revisited in 2025.

Evaluate

As part of the Pay Framework Project which commenced in 2023 to produce revised pay bands and spinal points for all job roles, 2024 saw the start of job descriptions being reviewed by Operations and re-evaluated by the People Team. To do this, the People Team used an online tool called Evaluate by Innecto to measure key attributes in job descriptions to assess if the banding is correct. This online tool will be used throughout 2025 to ensure all existing and new job roles are equitably assessed which will result in a further review of the pay framework.

HMT Website Redevelopment

In 2024, HMT embarked on a significant digital transformation journey, beginning with the complete development of our website portfolio. This project was aimed at unifying the online presence across all HMT sites under one cohesive brand identity. The redesigned websites are more than just visually aligned, it reflects HMT's commitment to clarity, accessibility and excellence in service for every audience we serve. This project was completed at the end of 2024, marking our first major step in our broader brand strategy, ensuring patients, residents, partners, and those looking for careers, can now access clear, consistent and easy to navigate information, regardless of which HMT location they are engaging with. Whether booking appointment, exploring care options, or learning more about our values and services.

Awards and recognitions

Both our Hospitals have been awarded as NJR Quality Data Provider for 2023/24. The 'NJR Quality Data Provider' scheme has been devised to offer hospitals public recognition for achieving excellence in supporting the promotion of patient safety standards through their compliance with the mandatory National Joint Registry (NJR) data submission quality audit process and by awarding certificates, the scheme rewards those hospitals who have met the targets.

In 2024 HMT retained its Government and industry-backed, Cyber Essentials Accreditation, providing a foundation for basic cyber security hygiene and protecting it against cyber threats.
It covers five main technical controls, which are:

- Limiting Internet access to secure and necessary network services (firewalls)
- Configuring devices to reduce vulnerabilities (secure configuration)
- Keeping your devices and software up to date (security update management)
- Provide only the required access to authorised individuals (user access control)
- Restrict execution of known malware and untrusted software (malware protection)

ENVIRONMENT AND SUSTAINABILITY

HMT is dedicated to reducing its environmental impact and contributing to climate change mitigation through continuous improvement. Over January to December 2024, we have implemented a range of initiatives across our sites to enhance energy efficiency, adopt sustainable practices, and reduce our carbon footprint.

Key Achievements:

Energy Efficiency

- **Renewable Energy:** We are proud to report that all our electricity was sourced from 100% renewable sources. Solar installations at Norden House and Sancta Maria have significantly contributed to our energy needs, with solar generation covering nearly 10% of electric usage at Sancta Maria.

Sustainable Healthcare Practices

- **Waste Management:** We engaged with several waste management brokers to ensure visibility of waste disposal across all HMT sites. The installation of the Neptune anatomical waste solution at Sancta Maria has been a significant advancement, reducing hazardous waste and CO2 emissions by 20 tonnes

Green Supply Chain

- **Supply Chain Review:** As part of the ESOS initiative, we conducted a comprehensive review of our supply chain to assess and reduce the carbon footprint. This included optimising transportation routes and implementing sustainable practices to align with our net zero targets.

Transportation

- **Low-Emission Transport:** We launched efforts to transition to low-emission transport options and support sustainable travel methods for staff and visitors. Initiatives included promoting cycling, public transport, carsharing, and programmes like the bike-to-work scheme.

Energy Consumption Analysis

- **Pan Power Analysis:** We are introducing Pan Power Analysis to review energy consumption data comprehensively. This system will enhance the operation of heating, ventilation, and cooling systems, optimising energy efficiency and safety.

These initiatives reflect HMT's strong commitment to sustainability and operational efficiency. We are proud of the progress made over the past year and remain dedicated to continuous improvement in our environmental impact.

		FY24	FY23	% change
Energy (kWh)				
	Natural gas	3,065,506	3,058,236	0.2%
	Company vehicles	3,564	13,904	-74.4%
	Electricity	2,580,618	2,034,183	26.9%
	Business travel	62,312	57,066	9.2%
	Total energy	**5,712,000**	**5,163,389**	**10.6%**
Emissions (tCO2e)				
Scope 1	Natural gas	560.7	559.4	0.2%
Scope 1	Company vehicles	0.9	3.3	-74.2%
Scope 2	Electricity (LB)	534.3	421.2	26.9%
Scope 3	Business travel	15	13.8	9%
	Total SECR emissions	**1110.9**	**997.7**	**11.3%**
Emission intensity ratio				
	Full-time employee	622	465	43%
Emissions intensity (tCO_2e / Full-time employee)		1.7	2.1	-22.1%

Section 172 Statement

As a company limited by guarantee, HMT is subject to the Companies Act 2006. Accordingly, the Board of Trustees provide this statement describing how it has had regard to matters set out in in Section 172(1) of the UK Companies Act 2006.

The following is a statement by the Trustees in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006. The Board of Trustees of HMT consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2024.

Outlined below, through use of cross reference, are examples of where we have written about the s172 matters throughout this Annual Report. We consider our key stakeholders to include our patients and residents (and their families / representatives); our people; the local communities within which we operate; our public sector partners such as the NHS and Local Authority Commissioners; as well as a multitude of other partners with whom we engage with on a regular basis to help us deliver and improve our services.

S172	Specific Examples covered in this report
(a) the likely consequences of any decision in the long term	Further Development of new Strategy Significant investment in growth
(b) the interests of the company's employees	Pay Award Learning and Development Leadership development Speaking Up Communication with colleagues
(c) the need to foster the company's business relationships with suppliers, customers and others;	Resident and patient feedback Regular meetings with suppliers Ensuring HMT engages in the future shape of health and social care service provision
(d) the impact of the company's operations on the community and the environment	Sustainable development of existing and new services
(e) the desirability of the company maintaining a reputation for high standards of business conduct	Care Quality Commission and HIW Compliance ratings Appointment of Patient Safety Specialist
(f) the need to act fairly between members of the company	Review and change of Governance Structure

Engagement with key stakeholders - key decisions

Engagement with our key stakeholders drives our strategy and decision-making. During the course of 2024, the key decisions taken by the Board were:

Key decision 1 – Purchase of St Quentin's Residential Care Home Ltd

HMT acquired St Quentin Residential Home Ltd on 04 September 2024. This strategic acquisition marks a significant milestone in HMT's ongoing mission to provide market-leading care solutions to those with complex needs, and expand its footprint, to deliver high-quality, compassionate care to more communities throughout the United Kingdom. St Quentin Residential Home Ltd joins the organisation as a subsidiary company, along side HMT's three other care homes and two private acute hospitals based throughout the country.

St Quentin Residential Home Ltd, a respected name locally in Newcastle-under-Lyme, has been recognised for its dedication to providing a supportive and nurturing environment for the people living in the home. The acquisition by HMT will ensure that the company will continue to thrive while benefiting from the additional resources and expertise HMT brings as a national health and care charity.

HMT believes that as a charitable organisation, it has a crucial role to play in the health and care sector. By expanding its presence, we aim to ensure a balanced market of providers, fostering a diverse environment that benefits everyone. We recognise our social responsibility in ensuring that communities have access to a range of care options, enabling them to make choices that best suit their needs.

Focus following the acquisition was placed upon a seamless transition with no disruption to the exceptional care residents and their families have come to rely on. HMT have worked closely with the management and staff at St Quentin Residential Home Ltd to ensure that all operations continued smoothly and that the people cared for experienced continuity in their daily lives.

Key decision 2 – Executive and senior leadership structure

HMT's Executive Team continuously review the skill needs across HMT to deliver our developing strategy. This had resulted in the introduction of new posts within our Executive Director and Senior Leadership Team, with the appointment of a Director of Estates and Facilities, Director of Programmes, Digital and IT and Head of Business Development.

Key decision 3 – Remuneration

Trustees' approve a pay award of an average 3% with effect from January 2024.

Our Stakeholders

HMT's relationships with our key stakeholders are imperative to our success. We recognise the importance developing and fostering these relationships and ensure that they evolve and are reactive to challenges.

Our residents and patients

Our residents and patients are at the centre of all we do as a Charity, and we focus on providing them with the best possible care, diagnostics and treatment. We actively seek out and value the feedback and opinions that they provide us which in turn drives us to improve the quality of our services.

How we engaged with our residents and patients in 2024:

- Resident and Patient Satisfaction Surveys.
- Resident and Family Forums.
- Social Media and our websites.

Our People

Our people are our biggest asset in delivering care, diagnostics and treatments to improve the outcomes for the people and communities we serve. Seeking the views of our employees is key to making HMT a place that is inspiring, rewarding and a healthy place to work, and one that values and promotes inclusion and diversity, recognising skills and talent, developing individuals and teams.

How we engaged with our people in 2024:

- Elected Staff Partnership Forum.
- HR Clinics.
- Communication through Workplace.
- Monthly CEO newsletters.
- Regular Trustee and Executive visits to our care homes and hospitals.

Our Communities

We actively engage with the communities that we are based within by offering employment opportunities and ensuring accessibility to all ethnicities, genders and disabilities.

Supporting local communities:

- Donation of first aid kit supplies to Loughor Inshore Rescue Lifeboat Charity, Swansea
- Sponsorship of Mumbles Rangers Football team an amateur Welsh football team based in Mumbles, Swansea
- Grimsby Firefighters Fete
- Sponsorship of Swansea Half Marathon

Our Partners

NHS:

Figures published by NHS England for December 2024 showed:

- As of the end of December 2024, there were 7.46 million waits for treatment which equates to an estimated 6.26 million people waiting for care.
- Of the 7.46m pathways on the waiting list in December 24, 1.2 million had a decision to be admitted for treatment.
- there were 200,375 waits of more than 52 weeks for treatment at the end of December
- waits of more than 65 weeks for treatment was 15,568 at the end of December

HMT continues to hold an NHS Provider's Licence and continues its commitment to assist in reducing pressures on NHS hospitals and help cut waiting lists for patients.

Our Suppliers

We seek to develop collaborative partnerships with our suppliers which are key in developing a strong and proactive supply chain, minimising the environmental impact of the care, diagnostics and treatments we deliver.

We engage with our suppliers through:

- Regular meetings.
- Sharing of information.
- Following the supplier code of conduct.
- Periodic supplier reviews.

HMT is committed to continuously improve our practices to identify and eliminate slavery and human trafficking in our business and supply chains and to acting ethically and with integrity in all our business relationships.

The Government

Our purpose is to improve the health and social care outcomes of the people and communities we serve. Therefore, whilst we are not a campaigning charity, it is essential that we ensure that we are aware of and keep up to date with governmental priorities, policies and regulatory changes across health and social care. We engage with the government and local authorities at all levels.

We engage with government through:

- Industry bodies, particularly the National Care Forum and Independent Healthcare Providers Network.
- Participation in government consultations.

Financial Review

The financial results for 2024 reflect a reduction in overall performance compared to 2023. However, embedded within this position is a planned first-year loss of £1,659,000 associated with the opening of Norden House, our newly built care facility. This loss was anticipated, reflecting typical first-year costs as the facility ramps up to full occupancy. Industry benchmarks suggest that new care homes typically require up to two years to reach mature occupancy levels. Excluding this start-up cost, the Trust would have recorded an underlying surplus of £1,534,363, underscoring the ongoing strength of the established service portfolio.

In addition, the Trust completed a strategic acquisition in 2024, expanding into the adult complex care sector. This new service contributed £2,897,182 in income and delivered a surplus of £356,804 in its first 4 months of trading under HMT Group. This acquisition not only strengthens our financial position but also diversifies our service offering and supports the development of long-term, sustainable income streams.

Income Performance

Total income for the year rose to £54.4 million, up from £50.6 million in 2023 — an 8% increase. This growth was broadly based, with positive contributions from most sites and services:

- Hospitals
  - St Hugh's Hospital saw income increase by 2%, though this was limited by a lower-than-expected inflationary uplift from NHS contracts.
  - Sancta Maria Hospital experienced a 5% decline in income, following an exceptional performance in 2023 driven by post-COVID recovery activity. The site has now returned to a more stable operating level.
- Care Homes
  - Coloma Court Care Home increased income to £6.1 million, a 9% rise year-on-year.
  - Marie Louise House Care Home saw income grow to £3.9 million, reflecting a 4% increase over 2023.

Financial Covenants and Liquidity

The Trust remained compliant with all financial covenants relating to its commercial mortgage facility with HSBC, maintaining comfortable headroom throughout the year. The Trustees continue to closely monitor the adequacy of the Trust's working capital, and consider that the current asset base and available funds are sufficient to meet all operational and financial obligations as they fall due.

Reserves

The Trustees review the Trust's reserves position regularly to ensure that it has adequate funds to support its on-going work, taking into consideration the assets required to provide a high standard and quality of care for its service users, reasonable working capital and any unforeseen circumstances.

The Trust had a free reserves of £1,548,217 as of 31 December 2024. In the most recent review, the Trustees considered appropriate a reserves policy of holding £4,000,000 of free reserves. Whilst this is considered aspirational at the present time, the Trustees have pledged to building the general reserves to this level, as demonstrated by the improvement reported in these results.

In addition, the Trust had at 31 December 2024 designated reserves of £618,041 as a building and equipment reserve for Coloma Court and Marie Louise House.

Risk Management

The Board of Trustees is responsible for establishing a risk management structure, policy and strategy for HMT. The Board decides the level of risk appetite and the level of risk it is prepared to tolerate.

Significant risks to which HMT is exposed have been identified and, for each of these, an assessment has been made as to their impact, severity, and probability. Risks are prioritised based on the likelihood of an event occurring and the impact of that event should it happen. All identified risks are recorded at either central or local level on risk registers, detailing controls, and actions in place to mitigate them. Risks are reviewed on a continuous basis through HMT's governance meeting structure and significant risks are escalated formally at each Board Meeting.

Improvements to risk management have been made in 2024 with the launch of a new risk management system and a review and update of policy.

Risk	Description and Potential Impact	Key controls and mitigating factors
Recruitment	There is a national shortage of health and social care workers. There is a risk that we will be able to continue to attract suitability trained staff, particularly in specialist areas. This could lead to greater reliance upon agency staff, impacting financial performance and continuous quality patient and resident care.	In order to ensure we are attractive in a highly competitive market; we regularly review our pay and benefits framework to ensure we are offering a fair and competitive package. We invest in our colleagues in training and development. We continue to review our wellbeing programme offered to staff. We have widened recruitment to overseas.
Estate and property	There is a need for continued significant investment and maintenance/remedial work to HMT's property and under lease repairing obligations. The adverse financial position in previous years has caused delays to the capital expenditure programme of work.	Survey for all sites have been obtained and the extent of the works are known. The 2024 budget has provision for year 1 of such works.
Increased costs and inflationary pressures	**The cost of goods and services rose steadily throughout 2024, reflecting broader inflationary pressures. Budgets for 2025 were drafted in 2024 to take into account expected significant increases in n**ational insurance contributions.	We continue to work closely with our suppliers to secure the most competitive rates and maximise value across all areas of procurement. Our procurement strategy includes an ongoing focus on process efficiencies and category spend management, allowing us to leverage economies of scale where possible. To further support cost control, particularly in our largest area of expenditure—staffing—we have implemented Time and Attendance systems across our services. These systems enable more accurate scheduling, improved resource allocation, and better management of staffing levels in real time, helping to ensure workforce optimisation and cost-effective service delivery

Risk	Description and Potential Impact	Key controls and mitigating factors
Activity and Occupancy	There is a continuing challenge of the economic climate and its impact on HMT's patients and residents' ability to self-fund treatment and care at its hospitals and care homes, resulting in budgeted activity and occupancy levels not being achieved.	We continue to market and promote the services offered by HMT and work closely with partners, such as the NHS and local authorities. Efficiency planning is always considered.
CQC/HIW Rating and compliance	Failure for our services to maintain/achieve good or outstanding compliance with the CQC/HIW could lead to financial losses and reputational damage. 2024 saw a change in leadership at the CQC and the roll out across England of the new Single assessment framework. In 2024 the CQC faced significant criticism, particularly regarding its operational effectiveness and the impact of its regulatory actions on the health and social care system.	Sites have internal plans in place to ensure compliance and continuous quality improvement.
Government Policy	The funding for health and social care is the government's responsibility. HMT has significant contracts and framework agreements in place with the NHS. The NHS tariff increases generally have been below the general inflation rate and we have seen our margin on NHS work eroded. Other risks include National Minimum Wage, Brexit, the Government's approach to health and social care.	HMT attempts to mitigate these risks through the regular review of strategy to ensure that we can be flexible to take account of external conditions. We are work closely with local commissioners and through the Independent Healthcare Providers Network and the National Care Forum on a national level, to endeavour to address these challenges and inform the reform agenda.
Compliance with legislation and regulation	Failure to comply with legislation and regulation could lead to financial loss, reputational damage, claims against HMT, prosecution, and loss of registration.	We ensure compliance through policies and procedures, risk assessments, internal audits, insurance, and training.
Major incident	A serious incident resulting in avoidable harm, resulting in serious injury or death to a patient, resident, or employee.	There are a number of policies in place and monitoring of health and safety requirements. Clinical Governance and Quality management is a high priority and robustly monitored.

Structure, Governance and Management

HMT a charitable company limited by guarantee (registered company number 01932882) and is a registered charity (registered charity number 292880) in England.

The charitable objectives of HMT Trust (as set out in its Articles of Association) are to the relief of sickness both physical and mental and to the preservation and protection of good health by such charitable means as to the trustees may decide.

St. Quentin Residential Home Ltd (registered company number 02213814) is a subsidiary company of HMT.

HMT delivers on these core objectives through:

- Diagnosis, treatment, and care in its acute hospitals.
- Social and nursing care delivery at its care homes.
- Supporting other charities within the health and social care sectors with consultancy and management support services.
- Engaging with the communities within which HMT is based to improve quality of life outcomes and life expectancy.

Trustees are appointed based on the skills and experience they can bring to overseeing the activities of HMT. Trustees undergo a robust recruitment and appointment process, taking account of the specific skills and experience, knowledge, personality, and approach needed to ensure a well-rounded Board.

The Articles permit a maximum of 12 trustees/directors and a minimum number of 2. At the end of December 2024, the Board comprised of 7 trustees/directors.

In 2024, a skills audit and a diversity audit of Trustees was undertaken. The outcome of the audit was to ensure that future succession planning should be prioritised with focus being placed on recruiting to relevant experience in knowledge.

Trustee Induction

Each trustee brings a wealth of skills and experience, and each will have different needs to fully acquaint themselves with their role and responsibilities as a trustee and director of the organisation. We provide trustees with a comprehensive induction pack describing the role of the Board, the role of a trustee, the organisation chart, and trustee biographies,

Trustee training

We wish to invest in the training, support and development of our trustees, both individually and collectively, in order to increase the contribution that individual trustees and the Board can make to our Governance and achievements.

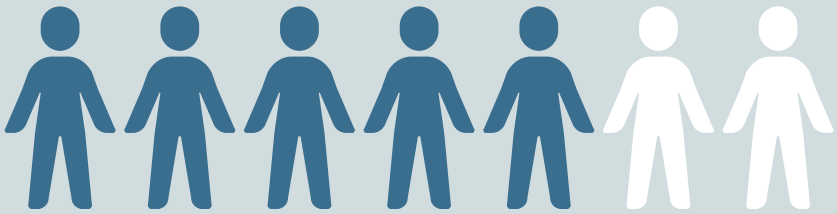
Board comprised of

7 TRUSTEES

CHAIR APPOINTED

September 2022

BOARD GENDER DIVERSITY



5 men

2 women

1 new trustee appointed in 2024, 2 retired

Trustee Terms of Appointments

All Trustees are appointed for terms not exceeding three years and are eligible for re-appointment for a maximum of three terms, save that, in exceptional circumstances. If it is agreed that a Trustee will serve for more than nine years, this decision is made on the basis of a rigorous review and will be reviewed on an annual basis. As at the end of December 2024, two Trustees have served longer than nine years:

- Dylan Jones. Dylan Jones was appointed as Chair of the Board of Trustees for a 3-year period from 1 September 2022.
- Peter Mark Gerod was appointed as a Trustee originally in September 2015.

The terms were extended beyond the normal nine year recommended tenure to provide stability.

Trustee Appointments and Resignations

One new trustee, Justin Jones, was recruited and appointed in 2024. This was together with the re-appointments of Dylan Jones, Mark Gerold and Glen von Malachowski.

Two trustees, Caroline Fryar and Merilee Briggs, retired in 2024.

BOARD COMPOSITION AS AT 31ST DECEMBER 2024

Trustee	Originally appointed	Re-appointed
D Jones	12/12/2012	21/08/2024
M Gerold	16/09/2015	21/08/2024
G von Malachowski	20/04/2016	21/08/2024
L Geary	25/05/2022	
J Sanders	25/05/2022	
M Shenouda	26/07/2023	
J Jones*	04/12/2024	

*Resigned on 2 June 2025

Trustee Tenure at as at 31 December 2024		
0-3 years	4-8 years	9 + years
L Geary	G von Malachowski	D Jones
J Sanders		M Gerold
M Shenouda		
J Jones		
4	1	2

The Trustees appraisals were carried out in 2024. This provides an opportunity for each Trustee to reflect on their role, contribution and performance. The review is also an opportunity for each Trustee to have an open discussion with the Chair in which the Trustee can voice any concerns or suggestions for improvement in any particular area. Trustee appraisals will be carried out on an annual basis.

Trustee site visits

Trustees regularly visit HMT's sites. Trustees complete a feedback form of their visits which is shared with the site teams. This enables positive feedback to be celebrated and for action plans to be developed, if required. It increases trustee's visibility and affords trustees to engage to front line colleagues, allowing trustees to understand frontline challenges and making a connection from frontline to Board. Enhanced DBS checks are all in place for trustee to ensure the safeguarding of our patients and residents.

Corporate Governance Structure

The Trustees, as the directors and charity trustees of HMT, are collectively responsible for the affairs of HMT. The Board is clear that its primary role is strategic, rather than operational. The Board sets the strategic aims of the Trust and provides leadership and guidance to the Executive team to ensure that the necessary structures and resources are in place to achieve the agreed strategy.

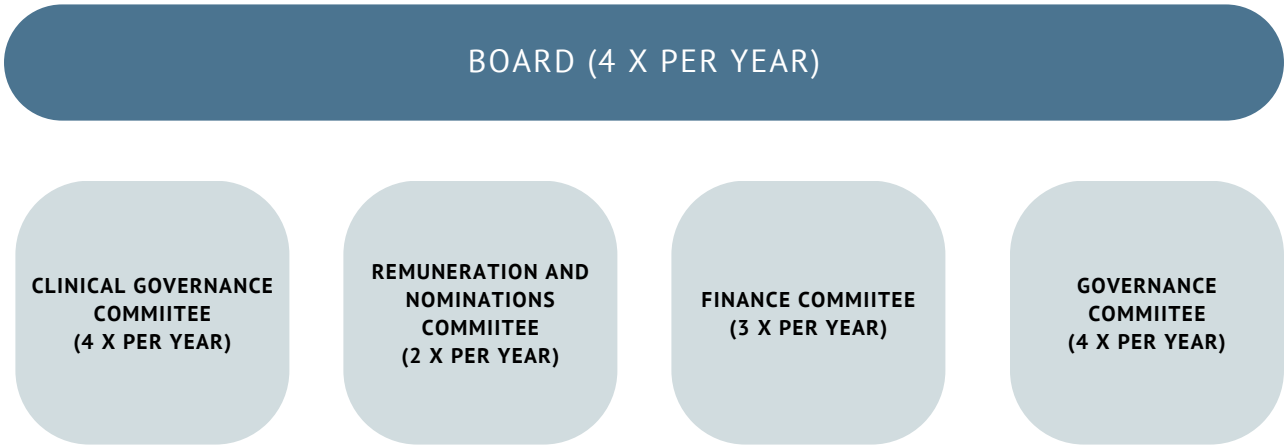
The Trustees delegate day-to-day executive control of the Trust to the Chief Executive and the Executive team, which meets weekly. The Executive team is responsible for running HMT in accordance with the direction set by the Board and powers delegated to it by Trustees. The Executive team is accountable to the Trustees for its performance.

Continuous review and monitoring of the governance structure to ensure it is fit for purpose, effective and efficient, proportionate, to ensure delegated responsibilities and ensure that current practice guidelines as outlined in the UK Charity Governance Code were being adopted, continued throughout 2024.

Attendance at HMT Group Board meetings in 2024:

	21/02/2024	22/05/2024	21/08/2024	18/12/2024
D Jones	✓	✓	✓	✓
M Gerold	✓			✓
G von Malachowski	✓	X	X	
C Fryar	✓	✓	✓	✓
L Geary	✓	✓	✓	✓
J Sanders			✓	✓
M Shenouda	X	X		
M Briggs	X			✓
J Jones				

Committee structure:



A decision was made in 2024 to reduce the number of scheduled Finance Committee from 4 to 3 per annum. This will become effective from 2025. Financial performance information is provided to trustees via email on a monthly basis and reported to Board meetings for scrutiny/discussion. The rationale for not reducing the meetings was simply down to timings of information not being available and duplicate information then being reported to Board meetings. Under Committee Terms of reference additional Committee meetings can always be called, should it be required and if we were alerted to a significant problem or risk emerging.

Terms of reference we reviewed and updated, where necessary, for all Committee meetings in 2024. Standardised reports provide consistent summary reporting from Committees to Board as to highlight the nature and content of discussions, escalation of risks, recommendations made and actions taken.

HMT Group Finance Committee

The Finance Committee's purpose is to take delegated responsibility on behalf of the Board for monitoring and planning for HMT's financial position and financial control systems and ensuring that financial responsibilities correctly discharged, and that HMT remains financially viable at all times. The Finance Committee meets a minimum of three times per year, with at least three Trustee/Director members. The Chief Executive, Executive Director of Finance, Executive Director of Governance, Standards and Regulation, Head of Finance and Group Purchasing Manager will make themselves available to attend Committee meetings, when required. Any Trustee/Director not being a member of the Committee may attend a meeting of this Committee as an observer.

Appointments are decided by the Board and are for terms of three years and Trustees are eligible for reappointment, subject to satisfactory performance and in line with the needs of the charity. Glen von Malachowski was appointed as Chair of the Finance Committee on 15 February 2023 and continued to hold this post throughout 2024.

Attendance at Finance Committee meetings in 2024

	23/01/2024	23/04/2024	23/07/2024	19/11/2024
G von Malachowski	✓	✓	✓	✓
M Gerold	✓	✓	✓	✓
J Sanders	✓	✓	✓	✓
L Geary	✓	✓	✓	✓

HMT Group Clinical Governance Committee

The Clinical Governance Committee's purpose is to take delegated responsibility on behalf of the Board to provide assurance to the Board that key critical clinical systems and processes are effective and robust and that any emerging areas of clinical concern/risk are properly managed.

The Clinical Governance Committee should meet a minimum of four times per year, with at least three Trustee/Director members. Executive Director of Clinical Care and Acute Operations, Executive Director of Governance, Standards and Regulation , Responsible Officer/ Medical Officer, Head of Governance and Head of Patient Safety and Improvement, will make themselves available to attend Committee meetings, when required. Any Trustee/Director not being a member of the Committee may attend a meeting of this Committee as an observer.

Appointments are decided by the Board and are for terms of three years and Trustees are eligible for reappointment, subject to satisfactory performance and in line with the needs of the charity.
Michael Shenouda replaced Caroline Fryar as Chair of the Clinical Governance Committee, following the retirement of Caroline Fryar on 15 March 2024. It was agreed that two trustees sit on Clinical Governance Committee throughout 2024, whilst further trustees were recruited.

Attendance at Clinical Governance Committee meetings in 2024

	30/01/2024	08/05/2024	30/07/2024	29/10/2024
M Shenouda	✓	✓	✓	✓
C Fryar	✓			
M Briggs	X			
G von Malachowski	✓	✓	✓	✓

HMT Group Remuneration and Nomination Committee

The Remuneration and Nominations Committee's purpose is to take delegated responsibility on behalf of the Board for overseeing the remuneration for the Executive and Senior Management Team and ensuring robust Board effectiveness and corporate governance. The Committee is principally responsible for reviewing the structure, size and composition of the Board (including the skills, knowledge and experience of the Trustees). The Committee meets at least twice per annum and comprises all Trustees. In addition to the trustees/directors, the Chief Executive Officer, Executive Director of Finance, Executive Office and Company Secretary and Executive Director People, Culture and Communications shall make themselves available to attend meetings of the Committee. Whilst the Remuneration and Nominations Committee formally met only once in 2024, corporate governance updates were provided to every board meeting.

Attendance at Remunerations and Nomination Committee Meetings in 2024

	22/05/2024	21/08/2024 (Held as part of board meeting)
D Jones	✓	✓
M Gerold	✓	✓
G von Malachowski	X	X
L Geary	✓	✓
J Sanders	✓	✓
M Shenouda	X	✓

HMT Group Governance Committee

The Governance Committee's purpose is to take delegated responsibility on behalf of the Board for key critical non-clinical systems and processes are effective and robust. These systems include:

- Fire, Security and health and safety.
- Estates and maintenance;
- Catering, Housekeeping and admin;
- Business Contingency Planning;
- Information Governance;
- Cyber Security;
- HR, People, Workforce and Culture;
- Freedom to Speak Up;
- Sustainability;
- Non-clinical complaints and claims;
- Equality & Diversity;
- Marketing and Communications;
- Information Technology.

Appointments are decided by the Board and are for terms of three years and Trustees are eligible for reappointment, subject to satisfactory performance and in line with the needs of the charity. Janis Sanders was appointed as Chair of Governance from January 2024. Whilst there is a preference for the Chair of the Board not to be a member of a committee, due to the current number of trustees, an exception has been made to appoint Dylan Jones as a member of the Governance Committee. Any Trustee/Director not being a member of the Committee may attend a meeting of this Committee as an observer. The first Committee meeting was held in January 2024 and has gone from strength to strength throughout 2024.

Attendance at Remunerations and Nomination Committee Meetings in 2024

	30/01/2024	08/05/2024	30/07/2024
D Jones	✓	✓	✓
M Gerold	✓		✓
J Sanders	✓	✓	✓

Board and Committee Effectiveness reviews

Board and Committee Performance reviews were carried out in January 2025 in respect of 2024 performance. This provided an opportunity for the Board and members of each Committee to reflect and ensure that they are functioning properly and effectively, in the best interests of HMT. The results and findings on the whole were positive and were reported and note by each Committee and Board, with actions being taken, where necessary. The reviews for 2025 will be carried out early 2026 and reported to subsequent Committees and Board meetings.

Trustee remuneration

Only the Chair of the Board is remunerated, and details of the Chair's remuneration are set out in notes to the accounts at page 71-73. All other Trustees give their time voluntarily, with no remuneration from HMT in connection with their duties as trustees. Trustees are entitled to be reimbursed for reasonable travel and subsistence costs and the Trust arranges indemnity insurance cover on behalf of the Board.

Conflicts of Interest

Trustees and Senior Leaders are aware of their legal duty to act in the best interests of HMT and abide by HMT's Conflicts of Interest policy. In practice, this means that any Trustee who has a conflict of interest in relation to any matter discussed by the Board must declare that interest at the start of the meeting, withdraw from discussions and not participate in voting. There is opportunity at the start of each Board and Committee meeting to declare any interests. In addition, HMT records interests of its trustees and senior leadership team in its register of interests based on the annual written declarations made by Trustees and its senior leadership team. This is updated during the course of the year, if required.

Statement of Adherence to the Fundraising Regulator Code

HMT does not carry out activities nor does any person on behalf of the organisation carry out activities for the purpose of fundraising. HMT nor any person acting on behalf of the charity is subject to an undertaking to be bound by any voluntary scheme for regulating fund-raising, or any voluntary standard of fund-raising, in respect of activities on behalf of the charity.

Public Benefit requirement

Trustees have regarded the Charity Commission's public benefit guidance when exercising powers and duties to which the guidance is relevant during 2024.

Auditors

The auditors for the year were Buzzacott Audit LLP, who were appointed as auditors following fair and open competition and in accordance with section 485 of the Companies Act 2006.

Statement of Trustee's responsibilities

The trustees are responsible for preparing the Trustee's report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

i) select suitable accounting policies and then apply them consistently;
ii) make judgements and estimates that are reasonable and prudent;
iii) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and
iv) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

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

Statement of disclosure of information to auditors

So far as the trustees are aware, there is no relevant audit information of which the Company's auditors are unaware, and the trustees have taken all the steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of trustees on 19 September 2025 and signed on its behalf by:

Dylan Jones
Director and Chair of the Board

Independent auditor's report to the members of The Healthcare Management Trust

Opinion

We have audited the financial statements of The Healthcare Management Trust and its wholly owned subsidiary (the 'group') for the year ended 31 December 2024 which the comprise the group statement of financial activities, the group and charitable parent company balance sheets and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charitable parent 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 and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes 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 is also the directors' report for the purposes of company law and includes 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 charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

- adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent 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 trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector; the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

Auditor's responsibilities for the audit of the financial statements (continued)

- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the group. These included but were not limited to the Charities Act 2011, Companies Act 2006, data protection legislation and regulations governing the medical profession (e.g. CQC); and
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed how journal entries are entered to minimise the risk of any unusual postings from being made;
- tested the authorisation of expenditure as part of our substantive testing thereon;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of trustee meetings;
- enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- reviewing any available correspondence with the CQC, HIW, HMRC and the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

22 September 2025

The Healthcare Management Trust

Consolidated Statement of Financial activities

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**Total funds 2024 £**	Total funds 2023 £
INCOME AND EXPENDITURE ACCOUNT			
INCOME FROM:			
Donations and legacies		**-**	31,494
Investment income and interest receivable	1	**153,229**	67,151
Charitable activities			
. Healthcare establishment fees and related charges	2	**54,214,623**	50,460,543
Total income		54,367,852	50,559,188
EXPENDITURE ON:			
Raising funds	3	**758,137**	530,938
Charitable activities			
Promotion and development of healthcare			
. Healthcare establishment expenses	4	**53,769,876**	47,835,857
. Charitable grants	5	**260,385**	188,553
		54,030,261	48,024,410
Total expenditure		**54,788,398**	48,555,348
Net (expenditure)/Income and movement in funds		**(420,546)**	2,003,840
Taxation	9	**635,824**	-
Net Income after taxation		**215,278**	2,003,840
Reconciliation of funds:			
Balances brought forward at 1 January 2023		**20,997,903**	18,994,063
Balances carried forward at 31 December 2024		**21,213,181**	20,997,902

All activities derived from continuing operations in each of the above two years with all income and expenditure being unrestricted.

The Healthcare Management Trust

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Fixed assets					
Tangible fixed assets	10	**33,264,485**	30,733,509	**29,573,305**	30,733,509
Goodwill	12	**8,089,504**	–	–	–
Investments	15	–	–	14,921,740	–
		41,353,989	30,733,509	**44,495,045**	30,733,509
Current assets					
Stocks	13	580,085	556,715	**575,335**	556,715
Debtors	14	**3,665,567**	2,606,568	**3,614,424**	2,606,568
Cash at bank and in hand		**5,703,958**	6,200,509	**2,413,860**	6,200,509
		9,949,610	9,363,792	**6,603,619**	9,363,792
Creditors: amounts falling due within one year:	16	**(11,595,732)**	(8,644,883)	**(10,700,194)**	(8,644,883)
Net current (liabilities) assets		**(1,646,122)**	718,909	**(4,096,575)**	718,909
Total assets less current liabilities		**39,707,867**	31,452,418	**40,398,470**	31,452,418
Creditors: amounts falling due after one year	17	**(18,494,686)**	(10,454,516)	**(18,494,689)**	(10,454,516)
Total net assets		**21,213,181**	20,997,902	21,903,781	20,997,902
The funds of the Trust					
General funds		**1,548,217**	1,361,442	5,929,996	1,361,442
Tangible fixed assets fund	18	**19,046,923**	19,214,849	15,355,744	19,214,849
Designated funds	19	**618,041**	421,611	618,041	421,611
		21,213,181	20,997,902	21,903,781	20,997,902

Approved by the Trustees and signed on their behalf by: Dylan Jones (Chairman and Trustee)

Dylan Jones (Sep 19, 2025 17:17:17 GMT+1)

Approved on: 19 September 2025

The Healthcare Management Trust: A company limited by guarantee, Company Registration No. 01932882 (England and Wales)

Consolidated Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	**6,273,298**	6,121,036
Cash flows from investing activities:			
Investment income and interest received		**153,229**	67,151
Purchase of fixed assets		**(6,823,194)**	(2,148,094)
Acquisition of Goodwill		**(8,089,504)**	—
Proceeds from disposal of fixed assets		**209,412**	—
Net cash (used in) investing activities		**(14,550,057)**	(2,080,943)
Cash flows from financing activities:			
Interest paid		**(758,137)**	(530,938)
Repayments of borrowing		**(819,375)**	(575,000)
Proceeds from borrowings		**9,775,000**	—
Repayments of finance leases		**(417,281)**	(338,942)
Net cash provided by (used in) financing activities		**7,780,207**	(1,444,880)
Change in cash and cash equivalents in the year		**(496,552)**	2,595,213
Cash and cash equivalents at 1 January 2024	B	**6,200,510**	3,605,296
Cash and cash equivalents at 31 December 2024	B	**5,703,958**	6,200,509

Notes to the statement of cash flows for the year to 31 December 2024.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	**215,728**	2,003,840
Adjustments for:		
Depreciation charge	**4,082,807**	2,076,117
Goodwill acquired	**—**	—
Investment income and interest receivable	**(153,229)**	(67,151)
Interest payable	**758,137**	530,938
Loss on disposal of tangible fixed assets	**—**	62,815
(increase) Decrease in stocks	**(23,369)**	5,327
Decrease in debtors	**(1,059,001)**	(106,194)
Increase in creditors	**2,452,675**	1,615,344
Net cash (used in) provided by operating activities	**6,273,298**	6,121,036

B Analysis of cash and cash equivalents	2024 £	2023 £
Cash at bank and in hand	**5,703,958**	6,200,509
Total cash and cash equivalents	**5,703,958**	6,200,509

C Analysis of changes in net debt	At 1 January 2024 £	Cash flows £	Other non-cash changes £	**At 31 December 2024 £**
Cash	6,200,510	(496,552)	—	**5,703,958**
Finance lease obligations	(1,168,660)	417,280	—	**(751,380)**
Loans	(10,350,000)	(8,955,625)	—	**(19,305,625)**
Total	(5,893,150)	(8,459,625)	—	**(14,353,047)**

Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2024. Comparative information is provided in respect to the year to 31 December 2023.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

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

The Trust constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Basis of consolidation

The statement of financial activities consolidates the accounts of the charity and its subsidiary, St Quentin Residential Home Limited. Intragroup transactions are eliminated in full. The balance sheet consolidates the accounts of the charity and its subsidiary from the date of acquisition on 4 September 2024, as at the balance sheet date.

Scope

The accounts of the two owned hospitals, the three leased care homes and subsidiary's three owned care homes are included in these accounts on a line-by-line basis.

Critical accounting estimates and areas of judgement

The preparation of the accounts in compliance with the Charities SORP FRS 102 requires the use of certain critical accounting estimates. It requires also that management and Trustees exercise judgement in applying the Trust's accounting policies.

In preparing these accounts, the Trustees have made significant estimates and judgements in the following areas:

- Estimating the expected useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- Estimating the amortisation period for the acquired goodwill and impairment assessment
- Estimating any provision for bad or doubtful debts;
- Classification of leases as finance or operating; and
- Estimating future income and expenditure flows for the purpose of assessing going concern.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

The Trustees have taken into consideration the current economic uncertainties in their projections, they have reviewed possible areas of short-term and medium-term mitigation within their control and believe that these offer sufficient comfort to be of the opinion that the Trust's financial position is such that it is expected to be able to withstand the challenges presented.

The Trust also has a commercial mortgage that is subject to financial covenants. The Trustees believe that these financial covenants will be met. The Trustees have assessed the financial risks associated with meeting the financial covenants and are satisfied that they have viable mitigating actions, including the support of HSBC, that could be initiated if required in order to achieve compliance with the covenants.

The Trustees have therefore concluded that are no material uncertainties that may cast significant doubt on the ability of the Trust to continue as a going concern, and therefore, they are of the opinion that the Trust will have sufficient resources to meet its liabilities as they fall due.

Income recognition

Income is recognised in the period in which the Trust has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises healthcare establishment fees and related charges, donations and investment income and interest receivable. Income from healthcare fees and related charges is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured. It is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Consultant's fees, included within healthcare fees and related charges, are treated as income and expenditure for the Trust, except where the consultants bill the patients directly.

Donations are recognised when the Trust has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Investment income is recognised once the dividend or similar payment has been declared and notification has been received of the amount due.

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

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the Trust. This includes investment management fees and the costs associated with servicing loan finance.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Trust through the provision of its charitable activities. Such costs include the provision of healthcare in acute hospitals and care homes and the making of charitable grants and donations. Expenditure on charitable activities includes both direct costs and indirect support costs.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

The provision of a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payments, settlement is probable and the effect of the discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant is made. This discount rate is regarded by the Trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Trust.

All expenditure is stated inclusive of irrecoverable VAT.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Trust it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Trust (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned to healthcare establishment expenses only.

Tangible fixed assets

Individual assets costing £1,000 or more, with an expected useful life exceeding one year, are capitalised at cost.

Certain freehold property is included in the accounts at a valuation determined during 1990 on the basis of existing use at that date. In accordance with the transitional provisions of Financial Reporting Standard 102, this valuation has not been updated and with effect from 1 January 2014 is deemed to be cost. All other freehold property and tangible fixed assets are included in the accounts at cost.

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

- Freehold buildings 2 - 2.5%
- Leasehold buildings 2%
- Fixtures and fittings 10-20%
- Plant and machinery 15%
- Motor vehicles 33⅓%
- Other equipment 15-33%

Assets under construction are not depreciated. Once the asset has been completed, the cost thereof is reclassified under the appropriate asset category and depreciated in accordance with the rates set out above. Plant and machinery includes hospital facilities such as operating theatres and related equipment.

Intangible fixed assets

Intangible fixed assets comprise goodwill on acquisition of subsidiary companies. Goodwill is therefore stated at cost less accumulated amortisation and impairment. Amortisation is charged over a 20 year period on a straight-line basis, from the date of acquisition.

Annual Impairment review

Annually, Goodwill will be reviewed for Impairment and if it is found that the future economic benefits of the Investment is less than the Goodwill recognised the asset must be written down to its recoverable amount. The reduction in carrying value will be recognised an impairment loss.

Stocks

Stocks of medical and sundry supplies comprising drugs, dressings and medical consumables are stated at the lower of cost and net realisable value. Provision is made against any slow moving or obsolete stock.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Investments

Investments in subsidiaries are accounted for at cost less impairment in the parent company's individual financial statements, in accordance with Section 9.26 of FRS 102.

Where indicators of impairment exist, the carrying value of the investment is assessed for impairment. If impaired, the investment is written down to its recoverable amount and the impairment loss is recognised in the profit and loss account.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Trust anticipates it will pay to settle the debt.

Fund structure

General funds represent income or generated for expenditure on the general objectives of the Trust.
The tangible fixed assets fund represents the net book value of the Trust's tangible fixed assets, less any financing liabilities.
Designated funds represent monies or assets set aside by the Trustees, out of general funds, for specific purposes.
Restricted funds represent monies to be applied for specific purposes in accordance with donors' wishes.

Leased assets

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities on a straight-line basis over the lease term.

Assets held under finance leases are capitalised and disclosed under tangible fixed assets at their net book value. The capital element of the future payments is treated as a liability and the interest is charged to the Statement of Financial Activities on a straight-line basis.

Pension costs

Contributions in respect of both the Trust's defined contribution scheme and stakeholder pension scheme are charged to the statement of financial activities in the period in which they become payable to the scheme.

In August 2014, all eligible members of staff (not already contributing to an eligible scheme) were required to be auto-enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of financial activities in the year in which they are payable.

Termination benefits

Termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the reporting date. If the expected settlement date of the termination payments is 12 months or more after making the provision and the effect would be material, the present value of the obligation must be calculated using an appropriate discount rate.

Notes to the accounts

1.Investment income and interest receivable

	Unrestricted funds	
	2024 **£**	**2023** **£**
Interest receivable	**153,229**	67,151
	153,229	67,151

2. Healthcare establishment fees and related charges

	Unrestricted funds	
	2024 **£**	**2023** **£**
Management and consultancy fees	**12,357**	99,866
Hospital fees and related charges	**40,199,720**	40,996,502
Nursing and residential home fees and related charges	**14,002,545**	9,364,175
	54,214,623	50,460,543

Management and consultancy fees represent monies receivable by the Trust under agreements for the management of care homes owned by independent third parties and from consultancy studies carried out for independent hospitals and care homes.

3. Raising funds

	Unrestricted funds	
	2024 £	2023 £
Interest payable on bank loans and finance leases	**758,137**	530,938

4. Healthcare establishment expenses

	Unrestricted funds	
	2024 £	2023 £
Staff costs (note 8)	**23,311,872**	19,331,010
Premises and equipment	**7,732,275**	6,532,729
Medical and welfare	**18,919,862**	18,565,394
Governance costs (note 6)	**77,584**	62,743
Other expenses	**3,728,283**	3,343,982
	53,769,876	47,835,858

5. Charitable grants

	2024 £	2023 £
Charitable donations and share of surplus (note 21)	**260,385**	188,553

6. Governance costs

	Unrestricted funds	
	2024 £	2023 £
External audit, committee and other costs	**77,584**	62,743
	77,584	62,743

7. Net income (expenditure) before losses on investments

This is stated after charging:	Unrestricted funds 2024 £	2023 £
Staff costs (note 8)	**23,311,872**	19,331,010
External auditor's remuneration (including VAT)		
Parent Audit	**45,600**	41,267
Subsidary Audit	**15,000**	–
Other services	**18,749**	–
Depreciation	**2,321,034**	2,076,117
Operating lease rentals	**1,203,234**	577,340
Hire of plant and machinery		
Rental of non-medical equipment	**822,216**	1,459,367
Rental of medical equipment	**248,832**	165,436

8. Staff costs and Trustees' remuneration

	2024 £	2023 £
Staff costs during the year were as follows:		
Wages and salaries	**18,814,976**	16,222,062
Social security costs	**1,811,104**	1,547,043
Other pension costs	**620,919**	565,882
Apprenticeship levy	**89,933**	68,438
Payments to employed staff	**21,336,932**	18,403,425
Payments to agency staff	**1,974,940**	927,585
	23,311,872	19,331,010

Included in the above are termination payments amounting to £51,726 (2023: £37,071) of which £0 remain payable at the balance sheet date.

8. Staff costs and Trustees' remuneration (continued)

Payments to agency staff during the year reflect the national shortage of nursing staff seeking permanent employment. The average number of employees, including agency staff, was:

	Full time equivalents		Headcount	
	2024	2023	**2024**	2023
Healthcare services	**622**	492	**750**	627

The number of employees who earned £60,000 per annum or more (including taxable benefits, but excluding employer's pension contributions) during the year was as follows:

	2024	2023
£60,001 - £70,000	**5**	9
£70,001 - £80,000	**4**	8*
£80,001 - £90,000	**2**	2
£90,001 - £100,000	**2**	1
£100,001 - £110,000	**1**	–
£110,001 - £120,000	**2**	–
£120,001 - £130,000	1	
£130,001 - £140,000	–	–
£140,001 - £150,000	2	1
£150,001 - £160,000	–	1
£160,001 - £170,000	–	1*
£190,001 - £200,000	–	1
£240,001 - £250,000	**1**	–

Please note that lines denoted by * include an element of settlement figure in the total salary disclosed. Termination payments totalled £51,726 (2023: £37,071) made to 7 members (2023: 2) of staff during the year.

8. Staff costs and Trustees' remuneration (continued)

Employer contributions are made to money purchase schemes in respect to 33 (2023: 21) of those employees who earned £60,000 or more during the year. Total employer contributions to money purchase schemes in respect of such employees during the year amounted to £181,601 (2023: £143,233).

No trustee received any remuneration in respect of their services as Trustees during the year (2023: none). During the year, with the approval of the Charity Commission, Dylan Jones received £32,885 (2023: £32,885) in respect to management services provided to the Trust.

Expenses in connection with travel and subsistence were reimbursed to 8 Trustees (2024: 8 Trustees) including pension contributions during the year and amounted to £7,534 (2023: £5,899).

The Trust has purchased insurance to protect itself from any loss arising from the neglect or defaults of its Trustees, employees and agents and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the Trust during the year totalled £28,000 (2023: £28,000) and provides cover of up to a maximum of £5 million (2023: £5 million).

The key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis comprise the Trustees, the Executive Management (as per page 85 of this report), the Director at each of the of the Hospitals and the Senior Manager at each of the care homes. The total remuneration (including taxable benefits, termination payments and employer's pension contributions) of the key management personnel for the year was £1,754,778 (2023: £1,694,390).

9. Taxation

The Healthcare Management Trust is a registered Trust and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The charity's subsidiary, St Quentin Residential Home Limited, is ordinarily subject to corporation tax but it will be paying its profits to the parent entity within 9 months of the year end via corporate gift aid.

There is therefore an accounting credit on the face of the consolidated statement of financial activities which has arisen following a reversal of the prior year corporate tax provision included in creditors which is no longer applicable given the above.

10. Tangible fixed assets

Group	Freehold property £	Leasehold property £	Fixtures and fittings £	Plant and equipment £	Total £
Cost or valuation					
At 1 January 2024	4,163,758	22,645,880	4,319,960	15,037,635	**46,167,233**
Reclassifications	572,542	976,176	(1,444,774)	(103,944)	—
Additions as part of acq of St Quentin	4,097,938	—	1,245,859	383,620	5,727,417
Additions	551	33,627	245,227	816,372	**1,095,777**
Disposals	—	(1,679,283)	(1,208,334)	(5,873,037)	**(8,760,654)**
At 31 December 2024	**8,834,789**	**21,976,400**	**3,157,938**	**10,260,646**	**44,229,773**
Cost	7,584,789	21,976,400	3,157,938	10,260,646	**42,979,773**
Deemed cost: Valuation – 1990	1,250,000	—	—	—	**1,250,000**
	8,834,789	**21,976,400**	**3,157,938**	**10,260,646**	**44,229,773**
Depreciation					
At 1 January 2024	1,214,542	990,240	2,603,195	10,625,746	**15,443,723**
Reclassification	(333,025)	295,883	(118,813)	155,955	—
Provided in the year	1,253,848	387,375	1,034,975	1,406,609	**4,082,807**
Disposals	—	(71,957)	(1,463,253)	(7,016,031)	**(8,551,242)**
At 31 December 2024	**2,135,365**	**1,601,541**	**2,056,103**	**5,172,279**	**10,965,288**
Net book values					
At 31 December 2024	**6,699,424**	**20,374,859**	**1,101,835**	**5,088,367**	**33,264,485**
At 31 December 2023	2,949,216	21,655,640	1,716,765	4,411,889	30,733,510

10. Tangible fixed assets

Charity	Freehold property £	Leasehold property £	Fixtures and fittings £	Plant and equipment £	Total £
Cost or valuation					
At 1 January 2024	4,163,758	22,645,880	4,319,960	15,037,635	**46,167,233**
Reclassifications	572,542	976,176	(1,444,774)	(103,944)	—
Additions	551	33,627	241,699	807,271	**1,083,148**
Disposals	—	(1,679,283)	(1,208,334)	(5,682,688)	**(8,570,305)**
At 31 December 2024	**4,736,851**	**21,976,400**	**1,908,551**	**10,058,274**	38,680,076
Cost	3,486,851	21,976,400	1,908,551	10,058,274	37,430,076
Deemed cost: Valuation – 1990	1,250,000	—	—	—	**1,250,000**
	4,736,851	**21,976,400**	**1,908,551**	**10,058,274**	**38,680,076**
Depreciation					
At 1 January 2024	1,214,541	990,240	2,603,196	10,625,746	**15,443,723**
Reclassification	(333,025)	295,883	(118,813)	155,955	—
Provided in the year	421,770	387,375	133,383	1,281,762	**2,224,290**
Disposals	—	(71,957)	(1,463,253)	(7,016,031)	**(8,551,242)**
At 31 December 2024	**1,303,287**	**1,601,541**	**1,154,511**	**5,047,432**	9,106,771
Net book values					
At 31 December 2024	3,433,564	**20,374,859**	**754,040**	**5,010,842**	**29,573,305**
At 31 December 2023	2,949,217	21,655,640	1,716,765	4,411,889	30,733,510

Notes

In 2024, we completed an overall review of the Asset Register and wrote off £ 8,570,305 of Assets that had a NBV of £0. £572,542 of assets were reclassified to freehold property to Fixtures & fittings. Therefore, the net effect on net assets is £nil. However, it is a substantial adjustment to cost and depreciation. Going forward, £0 NBV assets are reviewed quarterly & written off accordingly. This in year correction is an accumulation of £0 NBV assets from 2019 to 2024 covering a period of 6 years.

Further to this, during the full Asset Register review assets were reclassified to the correct & appropriate category. The Net effect of this reclassification is £nil.

11. Property, Plant, and Equipment (PPE)

Leasehold property includes costs of construction of the new Sancta Maria hospital, which was financed, in part, by a loan from HSBC Bank plc. This arrangement is secured by way of legal charges over the new Sancta Maria Hospital at Langdon Road, Swansea, the old Sancta Maria Hospital site in Ffynone Road, Swansea SA1 6DF and St Hugh's Hospital, Peaks Lane, Grimsby, DN32 9RP, as well as fixed and floating charges over all property of the Trust.

Certain freehold property included above was revalued in 1990 at an existing use valuation of £1,250,000. Had it not been revalued, it would have been included on the historical cost basis at the following amounts:

	£
Cost	**1,023,209**
Accumulated depreciation	**(784,322)**
Net book amount at 31 December 2023	**238,887**
Net book value at 31 December 2024	**264,367**

As permitted under the transitional arrangements within Financial Reporting Standard 102, the Trust has continued to adopt a policy of not revaluing tangible fixed assets. It is likely that there are material differences between the open market values of the Trust's land and freehold properties and their book values. These arise from the specialised nature of some of the properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the Trustees, is not justified in terms of the benefits to the users of the accounts.

12. Goodwill

	Goodwill on acquisition
Cost or valuation	
At 1 January 2024	–
Additions	8,226,614
At 31 December 2024	**8,226,614**
Amortisation	
At 1 January 2024	–
Charge for the year	**137,110**
At 31 December 2024	**137,110**
Net Book values	
At 1 January 2024	–
At 31 December 2024	**8,089,504**

Notes

Goodwill on acquisition is in respect of the purchase of St Quentin Residential Home Limited. 100% of the share capital was acquired on 4 September, 2024 for consideration of £14.92 million. The goodwill recorded reflects the difference between the consideration and the carrying values ascribed to the net assets acquired on 4 September, 2024.

Net assets of subsidiary on the date of acquisition	Amount
Fixed Assets	£3,775,295
Current Assets	£3,323,609
Current Liabilities	£403,779
Net Assets	£6,695,125

13. Stocks

	Group		Charity	
	2024 £	2023 £	**2024 £**	2023 £
Drugs, dressings and consumables	**580,085**	556,715	**575,335**	556,715

14. Debtors

	Group		Charity	
	2024 £	2023 £	**2024 £**	2023 £
Fees and related charges	**2,514,513**	1,498,147	**1,796,184**	1,498,147
Amounts due from subsidiary company	—	—	**695,285**	—
Other debtors	—	3,247	—	3,247
Prepayments and accrued income	**1,151,054**	1,105,174	**1,122,955**	1,105,174
	3,665,567	2,606,568	**3,614,424**	2,606,568

15. Current Asset Investments

	Group		Charity	
	2024 £	**2023 £**	**2024 £**	**2023 £**
Investments				
Book value as at 1 January 2024	—	—	—	—
Additions at cost	—	—	14,921,740	—
Book value as at 31 December 2024	—	—	14,921,740	—

Name	Registered Office	Nature of business	HMT interest	Income for Period ended 31 December 2024	Net surplus/ (deficit) after tax for Period ended 31 December 2024	Net asset/(liabilities) for the Period ended 31 December 2024
St Quentin Residential Home Limited	St Quentin Residential Home Limited, sandy Lane, Newcastle, Staffs, ST5 0L2	Residential care activities for the elderly and disabled	100%	£7,601,904	£1,818,872	£6,141,634

16. Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	**2024**	2023
	£	£	**£**	£
Expense creditors	**2,534,048**	2,745,036	**2,271,140**	2,745,036
Social security and other taxes	**550,131**	556,164	**537,072**	556,164
Other creditors	**1,683,318**	45,046	**1,683,318**	45,046
Accruals and deferred income	**4,679,118**	3,316,959	**4,059,547**	3,316,959
Sancta Maria construction creditors	**586,800**	586,800	**586,800**	586,800
Finance lease repayable within one year	**498,567**	489,144	**498,567**	489,144
Bank loan repayable within one year	**1,063,750**	575,000	**1,063,750**	575,000
	11,595,732	8,644,883	**10,700,194**	8,644,883

17. Creditors: amounts falling due after one year

	Group		Charity	
	2024	2023	**2024**	2023
	£	£	**£**	£
Finance lease repayable (see below)	**252,813**	679,516	**252,813**	679,516
Bank loan (see below)	**18,241,875**	9,775,000	**18,241,875**	9,775,000
	18,494,688	10,454,516	**18,494,688**	10,454,516

Finance lease

	Group		Charity	
	2024	2023	**2024**	2023
	£	£	**£**	£
Amounts due:				
Within one year (note 16)	**498,567**	489,144	**498,567**	489,144
Between one and two years	**174,957**	144,233	**174,957**	144,233
Between two and five years	**77,856**	535,293	**77,856**	535,293
Finance lease falling due after one year	**252,813**	679,516	**252,813**	679,516
	751,380	1,168,660	**751,380**	1,168,660

17. Creditors: amounts falling due after one year (continued)

Bank loan	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Amounts due:				
Within one year (note 16)	**1,063,750**	**575,000**	**1,063,750**	**575,000**
Between one and two years	**1,063,750**	**575,000**	**1,063,750**	**575,000**
Between two and five years	**3,191,250**	**1,725,000**	**3,191,250**	**1,725,000**
Between five and seven years	**13,986,875**	**8,050,000**	**13,986,875**	**8,050,000**
	18,241,875	**10,350,000**	**18,241,875**	**10,350,000**
	19,305,625	**10,925,000**	**19,305,625**	**10,925,000**

On 18 April 2019, the Trust signed a development and commercial mortgage facilities agreement with HSBC Bank plc. This enabled the Trust to draw down up to £11,500,000 in order to finance the construction project at Sancta Maria Hospital. This was fully drawn down as at 31 December 2021. Under the terms of the agreement, the mortgage will be repaid in consecutive instalments based on a twenty year amortisation profile with the first instalment being paid on 31 March 2022 and the loan is repayable in full in February 2029.

The final loan payment will be made six months after the eighth anniversary of the final drawdown i.e. in February 2029. Interest is payable at a rate of 2.5% over SONIA. In order to limit interest rate risk, HMT have entered into a Swap with a cap of 2.0% above margin.

On 04 September 2024, the Trust signed a development and commercial mortgage facilities agreement with HSBC bank plc. This enabled the Trust to draw up to £9,775,000 in order to finance the acquisition of St Quentin's Residential Home Ltd. This was fully drawn down as at 31 December 2024. Under the terms of the agreement, the mortgage will be repaid in consecutive instalments on a twenty year amortisation with the first instalment being paid on 30 September, 2024 and the one is repayable in full in March 2033.

The final loan payment will be made six months after the fifth anniversary of the final drawdown i.e. in September 2029. Interest is payable at a rate of 2.5% over SONIA. In order to limit Interest rate risk, HMT have entered into a Swap with a cap of 2.5% above margin

18. Tangible fixed assets fund

	Group		Charity	
	Total 2024 £	Total 2023 £	**Total 2024 £**	Total 2023 £
At 1 January 2024	**30,733,509**	30,724,348	**30,733,509**	30,724,348
Net movement in the year	**2,530,976**	9,161	**(1,160,205)**	9,161
	33,264,485	30,733,509	**29,573,304**	30,733,509
Less: Bank loan and finance leases to finance the construction and acquisition of tangible fixed assets	**(14,217,560)**	(12,093,660)	**(14,217,560)**	(12,093,660)
At 31 December 2024	**19,046,925**	18,639,849	**15,355,744**	18,639,849

The tangible fixed assets fund represents the net book value of the Trust's tangible fixed assets less the value of bank loans (note 14) obtained to finance the construction and acquisition of tangible fixed assets including those acquire through finance leases (note 14).

19. Designated funds

The unrestricted funds of the Trust include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific reasons or purposes:

Group and charity	**At 1 January 2024 £**	**New designations £**	**Released or utilised £**	**At 31 December 2024 £**
Marie Louise House building and equipment reserve	**9,633**	25,647	–	**35,280**
Coloma Court building reserve	**411,978**	**170,783**	–	**582,761**
	421,611	**196,429**	–	**618,041**

	At 1 January 2023 £	*New designations £*	*Released or utilised £*	*At 31 December 2023 £*
Marie Louise House building and equipment reserve	*3,144*	6,489	–	9,633
Coloma Court building reserve	*271,977*	140,000	–	*411,978*
	275,121	146,489	–	*421,611*

The Marie Louise House building and equipment reserve represents money set aside to finance the future purchase of equipment, and the repair and maintenance of the buildings occupied by the Trust, at Marie Louise House, Romsey.

The Coloma Court building reserve represents moneys set aside to finance the repair and maintenance of the buildings occupied by the Trust at Coloma Court Care Home, West Wickham.

20. Analysis of net assets between funds

Group	General funds £	Tangible fixed assets fund £	Designated funds £	Total 2024 £
Tangible fixed assets	—	33,264,485	—	33,264,485
Goodwill	8,089,504	—	—	8,089,504
Current assets	9,331,569	—	618,041	9,949,610
Creditors: Amounts falling due within one year	(10,033,415)	(1,562,317)	—	(11,595,732)
Creditors: Amounts falling due after one year	(5,839,441)	(12,655,245)	—	(18,494,686)
	1,548,217	19,046,923	618,041	21,213,181

	General funds £	*Tangible fixed assets fund £*	*Designated funds £*	*Total 2023 £*
Tangible fixed assets	—	*30,733,509*	—	*30,733,509*
Net current assets	*1,361,440*	*(1,064,144)*	*421,611*	*(718,907)*
Creditors: Amounts falling due after one year	—	*(10,454,516)*	—	(10,454,516)
	1,361,440	19,214,849	*421,611*	*20,997,901*

20. Analysis of net assets between funds

Charity	General funds £	Tangible fixed assets fund £	Designated funds £	Total 2024 £
Tangible fixed assets	—	**29,573,305**	—	**29,573,305**
Investments	**14,921,740**	—	—	**14,921,740**
Current assets	**5,985,578**	—	**618,041**	**6,603,619**
Creditors: Amounts falling due within one year	**(9,137,877)**	**(1,562,317)**	—	**(10,700,194)**
Creditors: Amounts falling due after one year	**(5,839,445)**	**(12,655,244)**	—	**(18,494,689)**
	5,929,996	**15,335,744**	**618,041**	**21,903,781**

	General funds £	*Tangible fixed assets fund £*	*Designated funds £*	*Total 2023 £*
Tangible fixed assets	—	*30,733,509*	—	*30,733,509*
Net current assets	*1,361,440*	*(1,064,144)*	*421,611*	*(718,907)*
Creditors: Amounts falling due after one year	—	*(10,454,516)*	—	(10,454,516)
	1,361,440	19,214,849	*421,611*	*20,997,901*

The total unrealised gains as at 31 December 2024 constitute a revaluation reserve as defined by the Companies Act 2006. Movements in unrealised gains during the year were as follows:

	2024 £	2023 £
Unrealised gains included above:		
On freehold property	**75,540**	69,870
Total unrealised gains at 31 December 2024	75,540	69,870
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2024	**69,870**	64,200
Difference between historical cost realised gains/losses on listed investments and the actual realised gains/losses thereon calculated on the revalued amounts	**–**	–
Difference between the depreciation charge based on historic cost and that based on the revalued amounts	**5,670**	5,670
Total unrealised gains at 31 December 2024	**75,540**	69,870

21. Share of surplus and donations to charities

The lease agreement for Coloma Court Care Home stipulates that the Daughters of Mary and Joseph will receive a share of the surplus in respect of the nursing home operations equal to 50% of the net surplus. The 2024 share amounted to £245,646 (2023: £179,024)

The lease agreement for Marie Louise House stipulates that the Daughters of Wisdom will receive a share of the surplus in respect of the nursing home operations equal to 50% of the net surplus but will contribute 50% of any net deficit. The 2024 surplus amounted to £11,509 (2023: £nil).

Further donations amounting to £3,230 (2023: £9,529) were made to various other charitable organisations and beneficiaries.

22. Pensions

The Trust operates a defined contribution scheme for the benefit of the employees and contributes both to personal pension plans, stakeholder pension plans of individual employees and the NEST auto-enrolment scheme. During the year total contributions made by the Trust were £610,144 (2023: £565,882) of which £426,519 (2023: £406,443) were to the NEST auto-enrolment scheme and £181,601 (2023: £159,439) were to the defined contribution scheme.

23. Leasing commitments

Operating lease payments amounting to £1,073,336 (2023: £883,310) are due within one year. The leases to which these amounts relate expire as follows:

	Land and buildings		Other	
	2024	2023	**2024**	2023
	£	£	**£**	£
Operating leases which expire:				
Within one year	**1,073,336**	813,808	**49,666**	69,502
Within two to five years	**3,175,042**	3,237,938	–	43,636
Over 5 years	**44,981,107**	19,520,000	–	–
	49,229,485	23,571,746	**49,666**	113,138

24. Capital commitments

At 31 December 2024 the Trust had no capital commitments (2023: none).

25. Related party transactions

Details of transactions between the Trust and its Trustees in respect to the reimbursement of expenses and the remuneration of the Chairman are given in note 8 to these financial statements.

There were no further related party transactions during the year (2023: none).

Reference and Administration Details

Company Limited by Guarantee Registration Number: 01932882 (England and Wales)
Charity Registration Number: 292880

Healthcare Management Trust Ltd:

Trustees/Directors

Mr D Jones - Chair
Mr P M Gerold
Mrs J Sanders
Mr G von Malachowski
Mrs L Geary
Mr M Shenouda
Mrs Rebecca Briggs (Resigned on 21st February 2024)
Mrs Caroline Fryar (Resigned on 15th March 2024)
Mr Justin Jones
Dr Faiz Shivji

Company Secretary:

Mrs A Hayward

Executive Management Team:

Dr N Stefanou - Chief Executive
Mr A Bloor - Executive Director of Community and Complex Care
Mr H Dowlen - Executive Clinical Care and Acute Services
Mrs C Simoes - Executive Director of People, Culture and Communications
Mrs A Hayward - Executive Director of Governance, Standards and Regulation
Ms D Enguita - Executive Director of Programme and Estates
Mrs Sarah Evans - Director of Finance and Procurement
Mr N Roissetter - Executive Director of Finance and Estates (Resigned on 31st March 2025)

Registered Office:

1 Langdon House, Langdon Road, Swansea SA1 8QY

Auditors:

Buzzacott Audit LLP, 130 Wood Street, London, EC2V 6DL

Bankers:

HSBC UK Bank Plc, 1 Centenary Square, Birmingham B1 1HQ

Solicitors:

Broadfield UK, 50 Broadway, London SW1H 0BL
DAC Beachcroft LLP, 25 Walbrook, London EC4N 8AF
Clarke Mairs, One Hood Street, Newcastle upon Tyne, NE1 6JQ

St Quentin Residential Home Ltd:

Directors

Mr D Jones - Chair
Dr N Stefanou
Mr N Roissetter - Executive Director of Finance and Estates (Resigned 31st March 2025)
Mrs A Averill (Resigned 4th September 2024)

Company Secretary:

Mrs A Hayward

Executive Management Team at HMT:

Dr N Stefanou - Chief Executive
Mr A Bloor - Executive Director of Community and Complex Care
Mr H Dowlen - Executive Clinical Care and Acute Services
Mrs C Simoes - Executive Director of People, Culture and Communications
Mrs A Hayward - Executive Director of Governance, Standards and Regulation
Ms D Enguita - Executive Director of Programme and Estates
Mrs Sarah Evans - Director of Finance and Procurement

Registered Office:

St.Quentin, Sandy Lane, Newcastle, Staffs, ST5 0LZ

Auditors:

Buzzacott Audit LLP, 130 Wood Street, London, EC2V 6DL

Bankers:

HSBC UK Bank Plc, 1 Centenary Square, Birmingham B1 1HQ

Solicitors:

Broadfield UK, 50 Broadway, London SW1H 0BL

DAC Beachcroft LLP, 25 Walbrook, London EC4N 8AF

Clarke Mairs, One Hood Street, Newcastle upon Tyne, NE1 6JQ

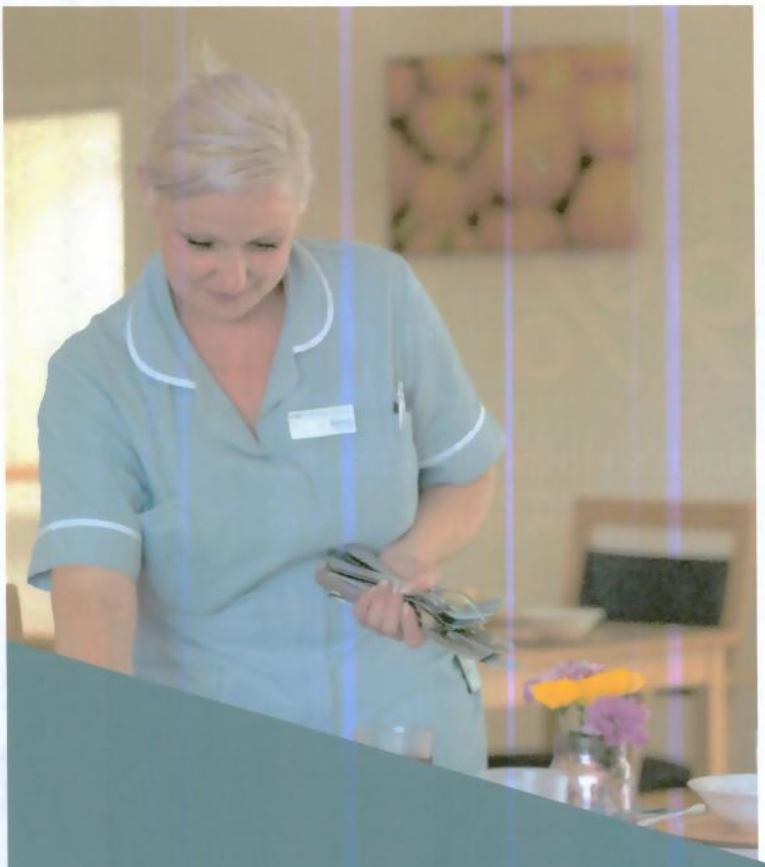
Clarke Willmott LLP, Burlington House Botleigh Grange Business Park, Hedge End, Southampton, United Kingdom, SO30 2AF

HMT
HEALTHCARE MANAGEMENT TRUST

THE HEALTHCARE MANAGEMENT TRUST

England & Wales - Charity number 292880

Accounts



HMT

HEALTHCARE MANAGEMENT TRUST

ANNUAL REPORT

YEAR TO DECEMBER 2023

COMPANY LIMITED BY GUARANTEE REGISTRATION NUMBER: 01932882 (ENGLAND AND WALES)
CHARITY REGISTRATION NUMBER: 292880

EMPOWERING PEOPLE AND INNOVATING HEALTHCARE, TOGETHER.

627

Average number of employees:

99%

Of St Hugh's Hospital patients rated their care as 'good' or 'very good'.

£3,754,995

Improvement in financial result from 31 December 2022 to 31 December 2023

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The Directors, who are the trustees for the purposes of charity law and directors for the purposes of company law, present their Annual Review and statutory report (including Strategic Report) together with the financial statements of The Healthcare Management Trust for the year ended 31 December 2023.

CHAIR OF TRUSTEE'S STATEMENT

As the Chair of Trustees at HMT since September 2022, I am delighted to reflect on a period of transformative change and significant progress. Our finances are sound, our people energised, and our governance strengthened - all essential in delivering outstanding care in line with our vision and charitable purpose.

Both our Board of Trustees and our Executive Team have been supplemented with notable expertise and experience - such that we now feel confident to embark on an ambitious programme of growth and investment in order to extend our positive societal impact.

Operationally during 2023 we treated a total of 9,559 inpatient/day case patients, together with there being 53,999 outpatients attendances in our two hospitals - working hard with our local communities and alongside other healthcare providers in both Swansea and Grimsby. Our Care Homes in Hampshire and Kent saw an average occupancy of 99 residents over 2023, providing support to a number of residents, many of whom live with varying degrees of dementia, and their families and friends. We also completed the building of our third Home in Sussex - opened in the first weeks of this year - a flagship not only for HMT, but for the care sector as a whole.

Refreshed leadership, superb facilities, and lofty ambitions are, however, nothing without the daily hard work, skill and goodwill of our dedicated employees, and I wish to extend my heartfelt thanks to all of them for a year of great progress.

Looking ahead, I share with my fellow Trustees, and indeed with all of the leadership and the broader team at HMT, a real sense of excitement, enthusiasm and optimism for 2024 and beyond.

Dylan Jones
Chair
22 May 2024

CHIEF EXECUTIVE'S STATEMENT

As we reflect on the past year, it's evident that our organisation has undergone significant transformation and progress across various fronts. Our unwavering focus on financial governance, and strategic development has laid a solid foundation for our future.

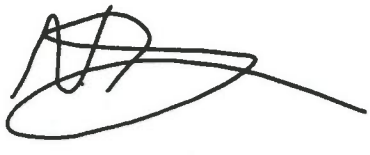
This year marked a turnaround year for us, symbolising resilience, adaptability, and a commitment to excellence. Amidst the challenges, we have emerged stronger, with a clearer vision and a refined sense of purpose, now pushing us forward.

Central to our achievements has been the unification of HMT's identity, aligning our actions and aspirations with a shared vision. This not only reinforces our values but also amplifies our impact as we navigate the ever-evolving health and social care sector.

At the centre of our progress has been the establishment of stable teams and a robust infrastructure capable of not only sustaining our business but also accelerating our growth. By creating a culture of collaboration and empowerment, we are fostering an environment where innovation thrives and success becomes inevitable.

Looking ahead, we are really energised by the possibilities that lie before us. We are crafting a compelling vision that resonates with our teams, inspiring them to channel their talents and expertise towards making a tangible difference in their local communities. Our focus remains on identifying and nurturing our peoples' talent, recognising that they are our greatest asset.

To conclude, I extend my gratitude to our dedicated teams, their commitment has been instrumental in our achievements in this 'turnaround' year for us.



Nichola Stefanou
Chief Executive Officer
22 May 2024

TRUSTEES' REPORT

INCLUDING SECTION 172 STATEMENT AND STRATEGIC REPORT

ABOUT HMT

HMT was established in 1985 with the aim of relieving sickness, both physical and mental, and the preservation and protection of good health. HMT raises no voluntary income; HMT's work is funded solely through its operating income, investments, and reserves. HMT provides access to all, without regard to the route patients and residents take in coming to us. HMT has historically had strong links to several religious orders.

1985 – HMT founded. The ownership of St Hugh's 47 bedded hospital, then located of Princes Road, Cleethorpes, was transferred to HMT from the Sisters of the Order of St Joseph of Peace.

1988 - HMT takes over the management of Sancta Maria Hospital in Swansea from the Ursulines of Jesus.

1994 - St Hugh's 32 bed hospital on current site on Peaks Lane, Grimsby opens.

1996 - HMT purchases Sancta Maria Hospital from the Ursulines of Jesus.

2005 - HMT opens and lease operates Marie Louise House, a new 46 bedded care home in Romsey Hampshire.

2007 – HMT opens and lease operated a new purpose built 62 bedded care home, Coloma Court, in Bromley Kent.

2015 - Upgrade to State of the Art Theatres at St Hugh's. Two state of the art Lamina Flow theatres were installed to ensure patients have access to the latest technology.

2016 - Further modernisation at St Hugh's. The hospital began a full refurbishment including patient rooms and waiting areas. HMT are committed to continuous improvement to ensure patient comfort and safety.

2019 - Construction of the new state-of-the-art HMT Sancta Maria hospital and advance diagnostics unit commences in Swansea's SA1 waterfront district.

2020 - St Hugh's responds rapidly to the global pandemic by creating a 'Covid Secure' facility and providing additional elective and cancer services to the NHS. This ensures the safe treatment of non-Covid patients and provides staff and equipment to the wider healthcare system in its battle against the infection.

2021 - The new purpose-built HMT Sancta Maria Hospital opens on the 15th February.

2024 - Opening of Norden House Care Home.

St Hugh's Hospital
Acute Hospital
187 Team Members
Located in Grimsby
Acute Hospital
215 Team Members
Located in Swansea
Sancta Maria Hospital
Coloma Court Care Home
Care Home
62 Beds
90 Team Members
Located in Bromley
Care Home
46 Beds
91 Team Members
Located in Romsey
Marie Louise House Care Home
Norden House Care Home
Care Home
64 Beds
2 Team Members
Located in West Sussex
42 Team Members
Shared Support Services

CHARITABLE MISSION

Provide market leading **care solutions** to those with **complex needs** within **marginalised** and **deprived** community settings.

VISION

To be the most **innovative** and best **quality** provider of **niche** health and social care services.

PURPOSE

Our purpose is to **make every contact count**, ensuring every **resident** and **patient** receives the best possible experience and outcome.

We focus on **teamwork** and put our **residents**, **patients**, and **people** first in everything we do. Doing the right thing for them is our top priority.

We're always looking for new and better ways to do things, staying connected with the latest and **best practices** out there. We're not afraid to be **bold** and **change** things for the better.

We love what we do, and so does our team. We bring our **true selves** to work, finding **joy** and **fun** in our tasks. We provide **care** and **clinical** services with **compassion**, making sure they meet each person's unique needs.

OUR STRATEGY

2023 saw the start of the development of a new and exciting strategy review for HMT. HMT Trustees and Executive Team embarked on a comprehensive and forward-looking approach, underpinned by the dual objectives of fostering growth and strengthening the charitable mission.

Not only did we hold away day strategy sessions with HMT's Board members but the Executive team also initiated a series of visits across our sites, recognising the importance of ground-level insights and the value of inclusive decision-making. These visits were not 'formalities', instead they served as critical listening and engagement sessions, allowing our team members to engage and develop this strategy with us.

This hands-on process was instrumental in shaping a strategy that aligns with our growth ambitions and ensures that its evolution remains true to our charitable mission, with a clear focus on improving health care delivery and outcomes for the communities we serve.

CHARITABLE MISSION, VISION & PURPOSE

In articulating our mission, vision, and purpose, we embarked on a deliberate and thoughtful journey in understanding what we stand for as an organisation and what we aspire to achieve.

This exercise was not just about creating a set of guiding principles; it was about defining the very soul of our organisation.

Understanding the impact of our work in the health and social care sector, we aimed to craft a mission that captures our commitment to excellence in service, a vision that inspires innovation and continuous improvement, and a purpose that underscores our dedication to the well-being of the communities we serve.

By clearly outlining our mission, vision and purpose, we communicate to our stakeholders, patients, residents, team members and partners alike - what we stand for and what they can expect from us. This transparency builds trust and fosters a collaborative environment where everyone feels valued and motivated to contribute to our success.

OUR VALUES

Building a culture through values

Building a strong culture through our values is an integral part of our organisational ethos, guiding how we operate, make decisions, and interact with each other and the communities we serve.

Our values - caring, enterprising, resourceful, authentic and accountable - serve as the foundation upon which we construct an environment that nurtures trust, innovation and excellence.

Caring is at the heart of everything, it propels us to go above and beyond in everything we do.

Being **enterprising** encourages us to embrace new innovations and seek out new opportunities for growth and improvement.

Resourcefulness is critical, helping us find efficient solutions to complex problems.

Authenticity in our actions and communications builds trust and credibility both within our teams and with our external partners and the communities we serve.

Accountability ensures that we take responsibility for our actions and their outcomes. It reinforces a culture of reliability and trust, where everyone is committed to upholding high standards of performance and ethical conduct.

Together, these values form our culture and shape strong, cohesive and dynamic teams.

BUILDING OUR BRAND & GROWING THE ORGANISATION

Building our brand and growing the organisation are central pillars of our strategic vision, entailing an approach that connects with the essence of who we are and the value we deliver. This initiative involves a purposeful effort to enhance our visibility, articulate our unique value proposition, and forge meaningful connections with our stakeholders and the wider local communities. At the heart of our brand-building journey is the commitment to excellence, innovation, and compassionate care, which we communicate through every interaction and service delivery point.

We understand that a strong brand is not just recognised for its name but remembered for its quality and reliability, fostering loyalty and trust among those we serve.

On the other hand, growing the organisation requires external engagement and internal strengthening. We focus on operational efficiency, empowerment, and innovation to increase our capacity and enhance our service offerings. This growth is aligned with our mission to make a positive impact on healthcare outcomes. It involves exploring new markets, diversifying our services, and forging strategic partnerships that amplify our reach and capabilities.

The importance of commercial growth within our strategy underpins our ability to invest in our services and people, driving our capacity to innovate and improve our health and social care offerings. Commercial success ensures our sustainability, enabling us to fulfil our charitable mission and expand our impact.

2023 ORGANISATIONAL PRIORITIES

As 2023 marked the beginning of the development of a new strategy for HMT, a number of priorities were identified and agreed for delivery in 2023. These included:

Efficiencies

- Achieve 2023 budget - activity.
- Achieve 2023 efficiency/savings.
- Identify and streamline key systems, processes and policies to reduce waste.

People

- Achieve unification across the organisation by organisational redesign.
- Establish clear clinical and operational infrastructure.
- Achieve clarity on organisational pay and deliver effective people strategy.

Strategy

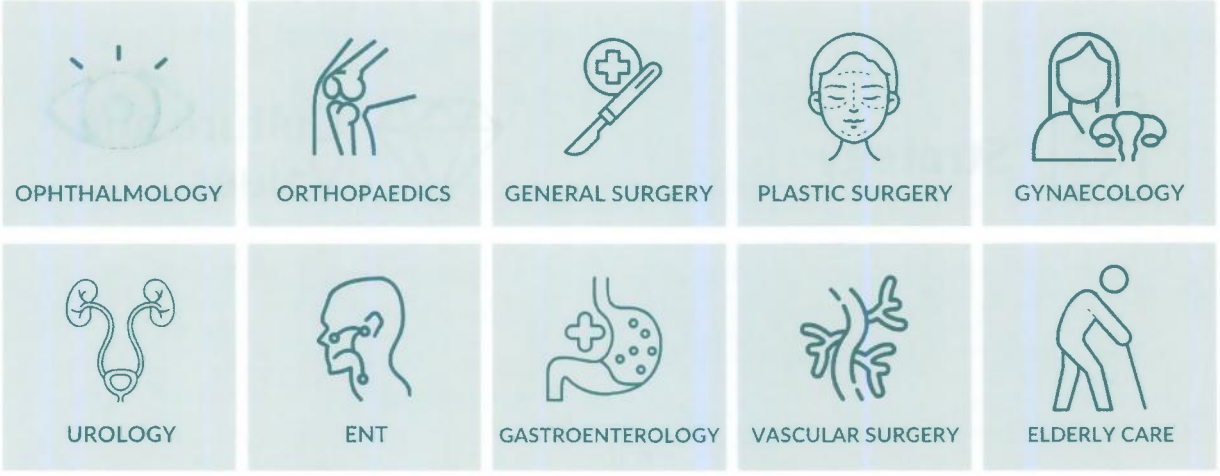
- Identify clear social purpose and mission.
- Evaluate commercial opportunities.
- Undertake consultation and strategy review.
- Launch revised strategy.

Culture and Values

- Revise and simplify HMT values and social mission.
- Launch approach to engage colleagues.
- Develop clear communication and marketing strategy that puts values and social mission first.

Assurance of full performance against these priorities was reported to Board in December 2023, the details of delivery of which are contained in further detail in this report.

OUR CARE



All our care is Consultant led and supplemented by Resident Medical Officers and Specialist Nurses. In addition to this we contract external Microbiology Consultants, to provide expert input into our Infection Prevention Control strategies. Throughout 2023, we continued to invest in staff training, introducing additional training around Autism, Patient Safety, and Infection Control.

Our hospital's Outpatients departments both have Physiotherapy and Imaging departments, and both introduced new services to increase the available modalities and treatments.

Both our hospitals were independently inspected by Healthwatch, a patient focused quality body, and both services received positive reports.

Following an update by the UK Government we undertook a review of HMT response to the Patterson Inquiry and provided subsequent assurance to the HMT Board.

A key quality improvement target for our care homes was to reduce Urinary Tract infections and to reduce falls, using focused resident review panels and early intervention. By December 2023 we were able to demonstrate a notable reduction in both, and changes in resident care had been embedded to ensure sustainable improvement.

Compliance:

Our services are regulated by both the Care Quality Commission (CQC) and the Healthcare Inspectorate Wales (HIW).

CQC:

The CQC held its routine inspection programme in March 2020 in response to Covid-19 and do not intend to resume it for the immediate future. The CQC have continued to use a mix of onsite and off-site monitoring to ensure the public have assurance as to the safety and quality of the care they receive. In accordance with this approach the CQC carried out a review of the data available to it about Coloma Court Care Home and Marie Louise House Nursing Home in 2023 and did not find evidence to carry out an inspection or reassess the CQC rating.

An ongoing improvement plan for St Hugh's Hospital has been further progressed in 2023 and will continue into 2024 to ensure an increase to our rating following another inspection.

The CQC launched a new strategy in 2021, which has seen a phased roll out of a single assessment process throughout 2023. We continued to train our colleagues in 2023 in the new assessment process to ensure that we are fully prepared.

Health Inspectorate Wales inspection of Sancta Maria Hospital:

An Inspection by Health Inspectorate Wales (HIW) at The Sancta Maria Hospital was carried out on 31st October to 1st November 2023. This was the first routine, unannounced visit of the new hospital. The HIW inspectors were accompanied by Public Health Wales. Whilst as at 31 December 2023, we still await the final HIW report, we were provided with informal feedback which highlighted many areas of the service described as good or excellent. Whilst much of the feedback was positive, there were areas for improvement noted. We have received communication from HIW that they are satisfied with the corrective actions taken following the visit. There are no outstanding areas of concern, and we anticipate a compliant report early in the new year.

Regulatory summary

	Coloma Court	Marie Louise House	St Hugh's	Sancta Maria
Overall current CQC /HIW Rating	Outstanding	Good	Requires Improvement	HIW
Last Focused Inspection Date	04/08/2020	31/01/2022	05/03/2019	Awaiting HIW report (as at 31 December 2023)*
Review of data	Nil concern raised	Nil concerns raised	No outstanding concerns.	No outstanding concerns.
PIR – Requests	Received 9th February 2023 Submitted date 22/02/2023	Received 11th January 2023 Submitted 08/02/23	N/A	N/A

*Published in February 2024 and available here.

PATIENT & RESIDENT ENGAGEMENT

HMT services received positive feedback from patient/residents throughout 2023. 99% of patients attending St Hugh's Hospital rated their care as good or very good and 92% felt the hospital definitely met their needs.

Of patients attending Sancta Maria Hospital 100% felt their experience was good or very good. 91% felt the hospital definitely met their needs.

Our care homes continued to receive positive feedback via the UK Care Home review website, carehome.co.uk, with our ratings as at 31 December 2023 being 9.8 out of 10 and Marie Louse House 9.2 out of 10.

99% of St Hugh's Hospital patients rated their care as good or very good.

100% of Sancta Maria Hospital patients rated their care as good or very good.

Our care homes have 9/10 ratings on carehome.co.uk

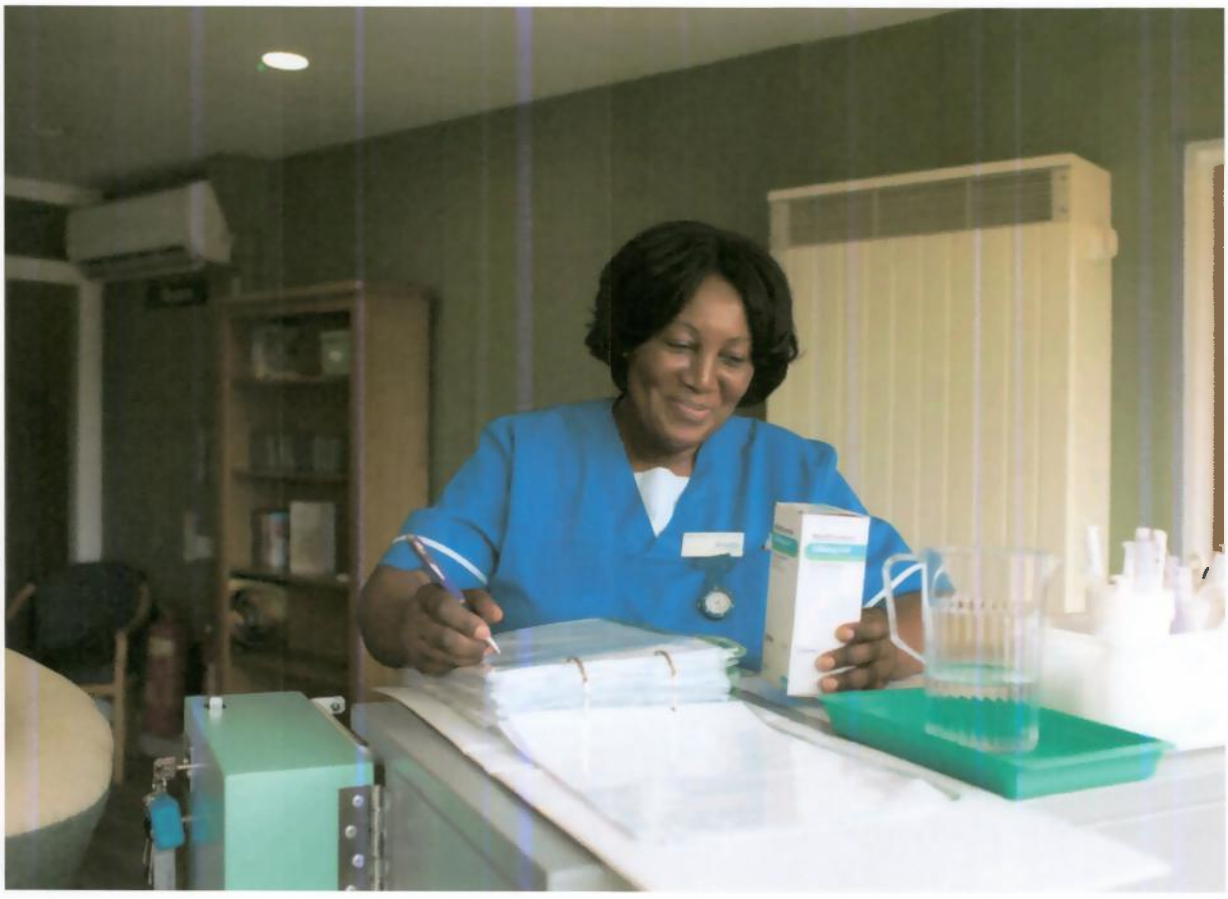
PSIRF

Following the publication of the NHS National Patient Safety Strategy in 2019, plans were made to pilot and develop a Patient Safety Incident Response Framework (PSIRF) to replace the 2015 Serious Incident Framework (SIF). The framework was subsequently published in August 2022 with an expectation that NHS providers would implement by the end of August 2023. A significant proportion of NHS providers did not meet this initial timeframe. This date has now been moved to 1 April 2024. Work however commenced upon implementing PSIRF in 2023, with the Humber and North Yorkshire Integrated Care Board approving the first draft of the Patient Safety Incident Response Plan (PSIRP) in December 2023.

HMT is only required to implement PSIRF at its St Hugh's Hospital site. However, the decision has been made to maximise the learning opportunities and cultural shift that PSIRF brings by extending appropriate elements across the whole of the organisation. This will promote consistency in HMT's approach and unity across all sites. Health Inspectorate Wales is supportive of this decision for the Sancta Maria Hospital.

HMT's risk profile suggests that there will be very few patient safety incidents, potentially none, that meet the criteria for a Patient Safety Incident Investigation (PSII). As detailed in the national guidance and HMT's Patient Safety Incident Response Plan the only mandated categories for a PSII are Never Events or deaths likely to have been caused by the care provided. Therefore, it is the remainder of the framework that is of most importance and relevance to HMT. This includes a shift away from root cause analysis to system-based investigation tools, promoting a learning culture of continuous quality improvement and a proportionate approach to investigations.

Work to implement PSIRF will continue into 2024.



OUR PEOPLE

The Trustees recognise that the staff of the Trust are the single most important lever for excellence in delivery and change. We continue to review our salaries, terms and conditions, people policies and staff development to recruit and retain staff who identify with the mission of the charity.

Pay

Recognising the cost-of-living pressures, we gave our front-line colleagues pay award of an average 5% with effect from January 2023.

2023 also saw the first phase of the design of a fit-for-purpose, equitable and affordable pay framework that makes the best sense for HMT; appropriately reflecting the complexity of our organisation, our job roles, responsibilities and contributions. We are committed to ensuring a pay framework that is equitable, transparent, provides for pay progression and development opportunities, and which is affordable to the business.

It provides HMT a framework to implement remuneration strategies and policies. They are designed to:

- Help ensure fairness and lawfulness, such as by avoiding pay discrimination
- Bring order and clarity in managing pay awards and career progression
- Align remuneration and reward strategy to the charity's mission, purpose, culture and business strategy, by encouraging the required behaviours and performance

HMT introduced a Job Evaluation Panel, whose role it is to review all job descriptions, and grade and score jobs based on their level of responsibility and contribution, into appropriate job grades / pay bands. This panel will review new or updated job descriptions and report to a newly formed Pay Review Panel.

In 2024, Phase 2 of the pay framework will commence, which will involve reviewing every job description in the business; a further job and job title alignment exercise, in order to bring consistency and streamline our organisational hierarchies across sites; and the formal evaluation of these revised job descriptions, working with an external consultancy and job evaluation tool.

We continue to advocate to the government and local authority partners for better investment in the health and social care workforce.

Remuneration for the Executive team is structured in such a way that it attracts, motivates and retains talented individuals. Salaries are reviewed by the newly formed Remuneration and Nominations Committee.

> ***Working at HMT has been a rewarding experience where I feel my work is valued. For me its not just a workplace, I'm part of a team that really tries to make a positive impact in the local community.***

> ***As a member of the HMT team, it's been incredible to see the transformative journey over the past year, and witness how all sites are communicating and working together across the organisation now.***

Cost of Living Payment

Throughout 2023 there was no getting away from the impact of the rising price of goods and services. In addition to the pay award, HMT trustees made a decision in 2023 to make a one-off payment to all HMT staff, depending upon financial performance. After all, our people are at the heart of the success of HMT.

Gender Pay Gap

HMT is committed to complying with all Gender Pay Gap related legislation, reporting process and procedure, and the eradication of any gender-based inequities discovered.

HMT has submitted its Gender Pay Gap report for the 2022/2023 reporting period.

The mean gender pay gap in the upper quartile of its workforce was 10.04% for the reporting period of 2022/2023, with the upper middle quartile over the same periods being 5.47%. The gap in the lower middle quartile was 1.72% and (0.01%) in the lower quartile.

We will continue our efforts in 2023/2024 to minimise these and remain committed to achieving gender pay balance and equity at all levels.

Recruitment and Retention

There is a national shortage of healthcare workers. The World Health Organisation estimates there will be a healthcare workforce gap of around 14.5 million by 2030.

Despite this, staffing across HMT sites has remained largely stable and staff turnover has improved year-on-year. In 2022 this was 22% and decreased to 14.26% in 2023. This is favourable when compared to industry data for other charities and not-for-profits, where this figure was 22.5% in 2023.

We saw a reduction in 2023 of 48% of agency usage, resulting in benefits for both staff and residents/patients, in being able to provide continuous care provision by same colleagues and increased skills development.

Whilst there were also changes within our leadership team throughout 2023, these changes were well managed and stabilised towards the end of 2023.

Overseas recruitment

In response to workforce pressures, particularly around the availability of skilled nurses and allied health professionals and due to a national shortage within health and social care, we proactively broadened our horizons by recruiting 3 team members from Kerala to our St Hugh's Hospital in Grimsby. We recruited a Radiographer, a Physiotherapist and a Scrub Nurse, all of whom have now successfully completed probation.

Whilst sourcing talented nurses and allied health professionals from other countries, it was imperative for us that these individuals were not recruited from countries that had a shortage of qualified nurses themselves. As well as ensuring they receive high-quality pastoral care, we have supported them through rigorous training and induction.

Unifying HMT and Culture

Focus was placed on unifying our teams across our sites in 2023. Whilst our services span 5 different sites, in two different countries and covering both healthcare and social care, we are one HMT. This has led to increased sharing of learning, good practice and standardisation. It has also connected our people across sites, sharing one unified approach.

Communicating with colleagues

Good communication is an essential tool in achieving productivity and maintaining strong working relationships with our people. This is particularly important at HMT given the spread of our services. In 2023 we launched Facebook Workplace as an internal communications tool, to improve communication channels with our people and enable engagement and unification across sites.

All our care home colleagues were also for the first time provided an HMT email address. This was not only due to the need for use of newly implemented systems but also ensured that they felt part of the organisation.

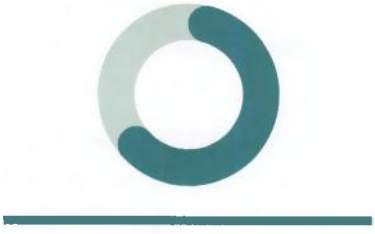
Speaking Up

HMT is committed to ensuring that all our people have a voice and that everyone feels safe and confident to speak up. We ensure we take the time to listen to understand the hopes and fears that lie behind the concerns raised.

Throughout 2023 there was significant work carried out to strengthen the Freedom to Speak Up culture at HMT. Such work included:

- The appointment of a Freedom to Speak Up trustee lead;
- The extension of Freedom to Speak Up processes extended beyond HMT hospitals into Care Homes, despite there being no legal requirement to do so;
- Appointment and training of Freedom to Speak Up Champions at each site to promote a Freedom to Speak Up culture;
- The creation of a Freedom to Speak Up Strategy for 2023/2024;
- Drop-in and awareness sessions at sites. This has extended to the inclusion of night shift workers, which has been very much welcomed;
- Introduction of an anonymous reporting electronic form to allow colleagues to anonymously raise concerns directly with the Freedom to Speak Up Guardian;
- Development and launch of Freedom to Speak Up Training has been developed for all colleagues, managers and senior leaders;
- An information leaflet for colleagues has been developed to provide staff with key information concerning speaking up and how to do so;
- Regular communication has been held with colleagues about speaking up through the CEO newsletter;
- The completion of a colleague survey to gauge speaking up knowledge and culture;
- There has been a clear and strong message from the CEO and Executive team in terms of disciplinary action taken that certain behaviours that are contrary to the promotion of speaking up/"doing the right thing" will not be tolerated and action will be taken;
- HMT responded swiftly and openly to colleagues in response to the circumstances surrounding the Lucy Letby case;
- A very successful campaign was held in October 2023 to celebrate FTSU month was held to promote awareness of Freedom to Speak Up.

87% of colleagues had an understanding of what Freedom to Speak Up Means.



72% of colleagues knew who HMT's Freedom to Speak Up Guardians were.

74% of colleagues knew who HMT's Freedom to Speak Up Champions were.

Learning and Development

We have continued our commitment to further colleagues Learning & Development through education and training within the organisation. The most significant output was due to the requirement in early 2023 to implement a new learning management system (LMS) at HMT, due to the previous provider leaving the UK market. As a result, a substantial scoping and tender process was undertaken, to ensure HMT identified a LMS that would meet the needs of the organisation, across Health & Social Care. The chosen LMS, Learning Pool, was launched in Summer 2023 and has proven to be a great success. The platform hosts all HMT's Mandatory and Statutory Training (MaST) e-learning, and following a successful trial of hosting Face to Face training provision at St Hughs Hospital, this will also now be rolled out across the organisation. The LMS provides a single point of access for all staff to access their training, and for staff managers to robustly track compliance and adherence for their teams learning. Following a successful application to NHS England, HMT have secured access to a significant amount of content from the NHSE e-learning for health platform, which seamlessly embeds itself in to the LMS. This has provided HMT with the opportunity to integrate staff training from evidence based, robust sources, that aligns to the Core Skills Training Framework (CSTF) for our hospitals. HMT participated in the National CSTF review, with the outcome is expected imminently. As a result, HMT will review the results and ensure alignment to the framework. We continue to Work closely with Skills for Care to ensure regulatory compliance of MaST for our Care Homes.

The latter part of 2023 saw the formation of the HMT Learning & Development Operations Group. HMT stakeholders attend monthly meetings to share regulatory practice updates, innovation, and procedural action plans for implementing HMT strategic goals in relation to Learning & Development across the organisation. A taskforce has also been formed for the continued development of the HMT Learning and Development strategy. In addition to MaST compliance, primary focal point of the taskforce includes clinical and non-clinical career progression pathways, competency frameworks and onboarding and induction pathways for those joining the organisation.

There has been a number of Learning & Development innovations in 2023. Following the successful launch of the LMS, HMT has continued to utilise opportunities to grow the workforce's knowledge base, and support national, and international interventions in addressing global health challenges. An example being, in 2023 our trustees decided to allocate £10,000 to a centrally held budget within Learning and Development, for investment in the learning and growth of HMT team members, in the name of Paul Steele, previous HMT Trustee Chair. Given HMT's past, current and future focus on Dementia as part of the business strategy, and which condition we know is growing exponentially within the UK; a decision was made to allocate funds be used to support the development of our people in this field of education, in the form of bursaries for study to reflect the various levels of the Dementia Training Standards Framework up to and including expert level.

This will equip HMT with a robust foundation and expertise in Dementia care and support across care homes and hospitals, as well as developing talented team members, and giving back to those affected by Dementia and whom need our support. Applications for funding of such opportunities will be considered in 2024.

Other areas of innovation include the Learning and Development needs of staff in the recognition and management of Sepsis, the successful accreditation of HMT as a Resuscitation Council Immediate Life Support Course centre, the education of trainers across HMT in areas such as Manual handling and life support provision. Also, implementation of clincalskills.net, a robust evidence based clinical skills platform, has been successfully trialled at one hospital, with plans to roll out across HMT and the continued engagement with both local and national external stakeholders in the fields of health and social care to ensure Learning & Development adheres to the highest standards of practice.

Diversity and Inclusion

HMT is committed to an active equal opportunities policy from recruitment and selection through to training, development, performance reviews and promotion. We foster an environment free from discrimination, harassment and victimisation where everyone receives equal treatment.

We have 27 different nationalities working within one of our care homes alone. These nationalities and cultures are celebrated and shared with food days being held and diversity boards being visible within our care homes.

At the end of 2023 81.4% of HMT's workforce was female, including 77.3% of the upper quartile of employees. The HMT Executive team was made up of four women and 2 men.

Long service awards

HMT is committed to appreciating and recognising our colleagues' loyalty. 2023 saw the awarding of long service awards to 82 of our employees, with service lengths ranging from 3 to 35 years' service.

The workforce of the future

HMT is alive to the healthcare workforce crisis. As the gap between the number of staff working in the health and care system and the number of staff needed to meet demand grows, it is becoming even more important for HMT to plan and engage potential future colleagues. As part of this commitment, HMT offers healthcare work experience to school pupils and provides training on nursing university courses to promote the careers available at HMT. Our people also regularly attend job and recruitment fayres.

TECHNOLOGY

Technology is a key enabler in the delivery of our strategy. During 2023, many of our projects have focused upon the introduction of new systems to HMT.

Compucare

Compucare is our patient administration system that is used at both hospitals for a number of years. Unfortunately, processes and ways of working have developed that have not adapted as the software has been upgraded. The result of this is that our use of the software became inefficient and very labour and paper intensive. A project was commenced in 2023 to invest into the use of the software and to produce clear mapped processes of how the software should be used; establish superusers, with the necessary training & support provided as well as the creation of Standard Operating Processes and to roll-out of increased functionality of the system, for both colleagues and patients.

As part of this project Biotronics3D was been introduced to our hospital radiology departments in January 2023, allowing Consultants and Radiologists to access images and reports from anywhere on any device. This created a centralised image and reporting system across both hospitals, with an ability to share reporting across both sites.

Completed reports automatically feed through to the Compucare patient record, eliminating the need for manual, time consuming processes. Completed reports are available to view electronically immediately once the report is complete meaning there is no longer a need to print the reports and physically give them to consultants. This streamlines the process and also aligns with our sustainability approach, together with cost savings. Patients can also have access to their images and reports via web browser, meaning we no longer need to use USB keys or DVD's, saving time. This project is continuing.

New Learning Management system – Learning Pool

A new comprehensive learning platform delivering personalised training experiences at scale by applying insights into who a learner is, what they know, and what they need to learn in real-time was introduced in August 2023. This has enabled aligning of learning to HMT's objectives.

MHR iTrent

Work commenced in 2023 to develop MHR iTrent, providing an integrated HR, payroll and Time and Attendance system, which will assist in the management of both HR and payroll functions. This will provide more robust HR record keeping processes and will provide a central database for all employee records, resulting in consistent and easy access to this information. The integrated approach for payroll, will avoid duplication and manual data entry and will streamline the payroll and paid-time processes. Delivery of the project is expected in 2024.

Ulysses

HMT has been using Datix as a patient safety and risk management system since 2016. A decision was made in 2023 to introduce a new software called Ulysses, to unify and streamline risk management, incident reporting and improve our safety practices.

The introduction of Ulysses will assist HMT to:

- Unify reporting: Ulysses will help us to standardise procedures and ensure consistency across HMT.
- Provide better analytics: with Ulysses, we will be able to report and identify patterns, themes, and potential for improvement across the organisation.
- Boost our safety culture: Ulysses actively supports the implementation of PSIRF, which will help us foster a culture of continuous safety improvement.

The following modules of the system are to be purchased and implemented in 2024:

- Risk
- Incidents
- Alerts
- Compliance
- Audit
- Feedback (compliments, comments, concerns and complaints)
- Litigation

ENVIRONMENT AND SUSTAINABILITY

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires The Healthcare Management Trust to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the 12-month period ending 31st December 2023.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, gaseous fuels such as natural gas and LPG, and business travel in company-owned vehicles and grey fleet. The table below details the SECR-regulated energy and GHG emission sources from the current and previous reporting periods.

		FY23	FY22	% change
Energy (kWh)				
	Natural gas	3,058,236	3,337,250	-8.4%
	Company vehicles	13,904	10,388	34.5%
	Electricity	2,034,183	2,056,311	-1.1%
	Business travel	57,066	78,351	-27.2%
	Total energy	**5,163,389**	**5,482,300**	**-5.8%**
Emissions (tCO2e)				
Scope 1	Natural gas	559.4	609.2	-8.2%
Scope 1	Company vehicles	3.3	2.8	25.0%
Scope 2	Electricity (LB)	421.2	397.6	5.9%
Scope 3	Business travel	13.8	19.3	-28.5%
	Total SECR emissions	**997.7**	**1,028.9**	**-3.0%**
Emission intensity ratio				
	Full-time employee	465	465	0.0%
Emissions intensity (tCO_2e / Full-time employee)		2.146	2.213	-3.0%

The Healthcare Management Trust is committed to reducing its environmental impact and contribution to climate change through continuous improvement procedures. We vacated Queen Annes Gate in April 2023, reducing our operational costs and associated emissions. A myriad of initiatives have been implemented across our sites to maximise efficiency and reduce energy consumption.

Such initiatives include:

- Lighting – Internal lighting reduces from 200LUX to 50LUX between 9pm-6am throughout Santa Maria Hospital, decreasing the power consumption required. Installed sensors and timers continue to eliminate unnecessary energy use.
- At Norden House to optimise energy consumption, residents are now situated in the same unit in the home where lighting and heating can be reduced or turned off in unoccupied areas.
- Boiler efficiency - At Coloma Court, modern modular boilers and pipework insulation throughout the boiler room have been installed to enhance efficiency.
- Solar Panels – Norden House has PVs installed on the roof to reduce reliance on grid electricity. It is expected that the associated savings will rise over the summer months. Increased use of PV installation on other sites is under consideration.
- Recycling and Waste – We have introduced a new non-offensive waste stream at Sancta Maria Hospital, allowing us to deploy six 770-litre tiger waste bins. As a result, there has been a sizable reduction in hazardous waste. Within the theatre department, recycling initiatives have been implemented, resulting in a 90% reduction of carboard and plastic waste generated from operation packs that would otherwise go to landfills.
- Management systems – A new Building Management System (BMS) is to be introduced. The system is constructed to enhance the operation of heating, ventilation and cooling of the car home and will therefore optimise energy efficiency and safety.

Awards and recognitions

Staff at Sancta Maria Hospital were awarded a prestigious award by Swansea Bay University Health Board and Swansea University, for their exceptional treatment of student nurses.

The '2022 Practice Supervisor, Practice Assessor and Team Awards' were introduced by the health board and university, to recognise the outstanding organisations and individuals that help build a stronger health and social care workforce in Swansea. Crowned the 'Private Sector of the Year', Sancta Maria Hospital was chosen by a panel of past nursing students.

Both our Hospitals have been awarded as NJR Quality Data Provider for 2022/23. The 'NJR Quality Data Provider' scheme has been devised to offer hospitals public recognition for achieving excellence in supporting the promotion of patient safety standards through their compliance with the mandatory National Joint Registry (NJR) data submission quality audit process and by awarding certificates the scheme rewards those hospitals who have met the targets.

St Hugh's Hospital was presented with an award for outstanding commitment to professional development and placement in healthcare industries by the Grimsby Institute for Further Education.

In 2023 HMT retained its Government and industry-backed, Cyber Essentials Accreditation, providing a foundation for basic cyber security hygiene and protecting it against cyber threats. It covers five main technical controls, which are:

- Limiting Internet access to secure and necessary network services (firewalls)
- Configuring devices to reduce vulnerabilities (secure configuration)
- Keeping your devices and software up to date (security update management)
- Provide only the required access to authorised individuals (user access control)
- Restrict execution of known malware and untrusted software (malware protection)

Sancta Maria has achieved ANTT Bronze Accreditation. Overseen freely by the Association for Safe Aseptic Practice, this accreditation provides healthcare organisations with a mechanism by which to demonstrate effective clinical governance for aseptic technique, and commitment to infection prevention and patient safety. Accreditation criteria is based upon the following pre-requisites for safe and best practice: Policy, Education, Competency Assessment and Monitoring of Standards.

Section 172 Statement

As a company limited by guarantee, HMT is subject to the Companies Act 2006. Accordingly, the Board of Trustees provide this statement describing how it has had regard to matters set out in in Section 172(1) of the UK Companies Act 2006.

The following is a statement by the Trustees in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006. The Board of Trustees of HMT consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2023.

Outlined below, through use of cross reference, are examples of where we have written about the s172 matters throughout this Annual Report. We consider our key stakeholders to include our patients and residents (and their families / representatives); our people; the local communities within which we operate; our public sector partners such as the NHS and Local Authority Commissioners; as well as a multitude of other partners with whom we engage with on a regular basis to help us deliver and improve our services.

S172	Specific Examples covered in this report
(a) the likely consequences of any decision in the long term	Development of new Strategy Significant investment in new systems
(b) the interests of the company's employees	Overseas recruitment Pay award Cost of Living Payment Learning and Development Speaking Up Communication with colleagues
(c) the need to foster the company's business relationships with suppliers, customers and others;	Resident and patient feedback Regular meetings with suppliers Ensuring HMT engages in the future shape of health and social care service provision
(d) the impact of the company's operations on the community and the environment	Appointment of Net Zero Lead Sustainable development of new services
(e) the desirability of the company maintaining a reputation for high standards of business conduct	Care Quality Commission and HIW Compliance ratings
(f) the need to act fairly between members of the company	Review and change of Governance Structure

Engagement with key stakeholders - key decisions

Engagement with our key stakeholders drives our strategy and decision-making. During the course of 2023, the key decisions taken by the Board were:

Key decision 1 – Development of HMT's Strategy

2023 saw the commencement of HMT's strategy. Whilst work will continue to develop this into 2024, Trustee's made some key decision within the year to start shaping this.

Given the challenging financial year in 2022 no research grants were made within 2022 or 2023. Due to the difficulties in being able to easily measure the positive outcomes and impact of such research grants and due to deciding to invest any surplus into innovative, niche care solutions to the benefit of those with complex needs within marginalised and deprived care settings.

Valuable internal resource has also been diverted to supporting the religious consultancy contracts. The delivery of the contracts was invested in one individual within HMT. This was considered to expose HMT at risk in fulfilling and delivering this support. A decision was made by trustees that Religious Consultancy was not an area for HMT's planned growth and strategic direction. As such it was decided in 2023 that there should be a commencement of a phased divestment in the consultancy support allowing orders to make alternative arrangements. Resources will be repurposed to explore and support new service development opportunities as part of HMT's strategic objectives.

Key decision 2 – Office locations and change of registered office

The COVID pandemic has had a radical impact upon office working and has forced the adoption of new ways of working. HMT reviewed its use of it's Head Office based in Queen's Anne's Gate, Westminster in 2023. The workforce using this office space regularly prior to the pandemic had since left HMT and utilisation was low. It was also important as part of strategy considerations that the office spaces reflect HMT's charitable status and mission. A decision was therefore made in 2023 to end the lease at Queen Anne's Gate. This came to an end in April 2023.

As a result of the closure of this office a decision was made to register our Finance Head Office based in Swansea as HMT's registered office.

On 18 September 2023 we entered into a lease of an office space based in Durham, in the Northeast of England. We partnered with a great organisation called UMi, which is aligned very closely to HMT in their values and its conscious approach to social responsibility. The decision to open a new office in the Northeast was taken on the basis that it enabled HMT's growing Shared Support Service team members to collaborate and due to HMT's future strategy of looking to grow within the North of England, helping reduce the health and social care North/South divide.

Key decision 3 - Governance Structure

In 2023 a full review was carried out of HMT's governance structure. This was a thorough exercise which led to the recommendation to change HMT's committee structure and to the introduction of various tools and processes to gain improved assurance of HMT's governance arrangements. As a result of the review, and in order to align to HMT's developing strategy, a decision was taken that meetings of the Research and Grants Committee were no longer to be held and there is to be the introduction of a new Governance Committee to gain assurance in relation to non-clinical, organisational critical aspects of delivery. The Remuneration Committee's responsibilities were also widened to include responsibilities of corporate governance and Board composition.

Key decision 4 - Executive and senior leadership structure

In 2023 appointments were made to the updated Executive structure outlined in our 2022 Annual Report. Our Executive team has been strengthened by the skills these appointments have brought to HMT and sees our Executive team consist of 6 posts.

HMT's Executive Team continuously review the skill needs across HMT to deliver our developing strategy. This had resulted in the introduction of a new posts within our senior leadership team including Head of Programme Delivery, a Marketing and Communications Officer and a Strategic Business Development Lead. These posts are crucial to the successful continued development of HMT's strategy, ensuring that substantive changes are robustly considered, managed and governed. More posts have been created as part of a central, Shared Services Team to enable improved oversight and standardisation across all sites, allowing for improved service delivery.

Key decision 5 - Remuneration

Trustees' approve a pay award of an average 5% with effect from January 2023.

Key decision 6 - COVID 19 - After the pandemic, a new business as usual

COVID-19 did not continue to have the same significant financial impact on HMT in 2023, compared to previous years. Nationally restrictions have now been lifted. The pandemic taught us how to be flexible and adapt to a rapidly changing landscape. Moving forward, we will look to develop a "new normal" for business as usual in terms of provision of our care, with openness to new ways to operate differently, whilst ensuring we monitor developments with new variants and continue to protect our people and patients/residents.

Our Stakeholders

HMT's relationships with our key stakeholders are imperative to our success. We recognise the importance developing and fostering these relationships and ensure that they evolve and are reactive to challenges.

Our residents and patients

Our residents and patients are at the centre of all we do as a Charity, and we focus on providing them with the best possible care, diagnostics and treatment. We actively seek out and value the feedback and opinions that they provide us which in turn drives us to improve the quality of our services.

How we engaged with our residents and patients in 2023:

- Resident and Patient Satisfaction Surveys.
- Resident and Family Forums.
- Social Media and our websites.

Our People

Our people are our biggest asset in delivering care, diagnostics and treatments to improve the outcomes for the people and communities we serve. Seeking the views of our employees is key to making HMT a place that is inspiring, rewarding and a healthy place to work, and one that values and promotes inclusion and diversity, recognising skills and talent, developing individuals and teams.

How we engaged with our people in 2023:

- Elected Staff Partnership Forum.
- HR Clinics.
- Communication through Workplace.
- Monthly CEO newsletters.
- Regular Trustee and Executive visits to our care homes and hospitals.

Our Communities

We actively engage with the communities that we are based within by offering employment opportunities and ensuring accessibility to all ethnicities, genders and disabilities.

Supporting local communities:

- We supported Gillas Lane Primary Academy with prizes for their Christmas raffle and restocked their uniform bank. Gillas Lane is a small primary school situated in an area of high deprivation; IDACI data shows that 54% of children attending the school live in the top 5% of most deprived areas of England and the community it serves is becoming more deprived over time. 69% of children attending the school are entitled to Free School Meals, well above the national average of 24%.
- We donated £500 to the Romsey Young carers charity.
- Prizes were gifted to the Cash for Kids mission Christmas by SMH.
- A donation was made from SHH to a local homelessness charity, Harbour Place, to support their Christmas food and clothing appeal.

Our Partners

NHS:

Figures published by NHS England for December 2023 showed:

- the waiting list for patients to 7.60 million cases, consisting of approximately 6.37 million individual patients waiting for treatment.
- around 3.30 million of these patients have been waiting over 18 weeks.
- Over 337,000 of these patients have been waiting over a year for treatment.
- a median waiting time for treatment of 15 weeks – almost double the pre-COVID median wait of 8.3 weeks in December 2019.

HMT continues to hold an NHS Provider's Licence and continues its commitment to assist in reducing pressures on NHS hospitals and help cut waiting lists for patients.

1736 NHS PATIENTS VIA SANCTA MARIA HOSPITAL

3955 NHS PATIENTS VIA ST HUGH'S HOSPITAL

Our Suppliers

We seek to develop collaborative partnerships with our suppliers which are key in developing a strong and proactive supply chain, minimising the environmental impact of the care, diagnostics and treatments we deliver.

We engage with our suppliers through:

- Regular meetings.
- Sharing of information.
- Following the supplier code of conduct.
- Periodic supplier reviews.

HMT is committed to continuously improve our practices to identify and eliminate slavery and human trafficking in our business and supply chains and to acting ethically and with integrity in all our business relationships.

The Government

Our purpose is to improve the health and social care outcomes of the people and communities we serve. Therefore, whilst we are not a campaigning charity, it is essential that we ensure that we are aware of and keep up to date with governmental priorities, policies and regulatory changes across health and social care. We engage with the government and local authorities at all levels.

We engage with government through:

- Industry bodies, particularly the National Care Forum and Independent Healthcare Providers Network.
- Participation in government consultations.

Financial Review

The financial results being reported for 2023 show an incredibly strong performance and come on the back of three years of significant financial challenges brought about by the Covid-19 pandemic.

We are delighted to report a Surplus in excess of £2m was generated in the year, this is an amazing £3.8m turnaround compared to the prior year in which a £1.8m deficit was recorded. This turnaround is a true testament to the hard work and deduction of our staff, not only in 2023 but over the past few years as they tackled the challenges brought about by the pandemic.

Income increased to £50.6m compared to £45.6m in the prior year. This increase in income was not down to any single factor, with each site contributing:
Our hospitals:

- St Hugh's Hospital increased income to £18.9m an 8% increase
- Sancta Maria Hospital increased income to £22.2m an increase of 11%

Our care homes:

- Coloma Court Care Home increased income to £5.6m an 9% increase
- Marie Louise House Care Home increased income to £3.8m an increase of 29%

The increase in income flowed through to the bottom line with each Site contributing significantly to the £3.8m turnaround.

The financial covenants in relation to our commercial mortgage with HSBC were all achieved during the year with significant headroom. We would like to place on record our thanks to HSBC for their support and understanding during what were extraordinary and challenging times.

The Trustees continue to monitor closely the adequacy of the Trust's working capital and consider that its assets and available funds are adequate to fulfil its obligations.

Reserves

The Trustees review the Trust's reserves position regularly to ensure that it has adequate funds to support its on-going work, taking into consideration the assets required to provide a high standard and quality of care for its service users, reasonable working capital and any unforeseen circumstances.

Our general reserves increased during the year to £1.4m form £0.4m at the end of 2022. In the most recent review, the Trustees considered appropriate a reserves policy of holding £4,000,000 of free reserves. Whilst this is considered aspirational at the present time, the Trustees have pledged to building the general reserves to this level, as demonstrated by the improvement reported in these results.

In addition, the Trust had at 31 December 2023 designated reserves of £421,611 as a building and equipment reserve for Coloma Court and Marie Louise House.

Risk Management

The Board of Trustees is responsible for establishing a risk management structure, policy and strategy for HMT. The Board decides the level of risk appetite and the level of risk it is prepared to tolerate.

Significant risks to which HMT is exposed have been identified and, for each of these, an assessment has been made as to their impact, severity, and probability. Risks are prioritised based on the likelihood of an event occurring and the impact of that event should it happen. All identified risks are recorded at either central or local level on risk registers, detailing controls, and actions in place to mitigate them. Risks are reviewed on a continuous basis through HMT's governance meeting structure and significant risks are escalated formally at each Board Meeting.

The content of risk reports to Board were reviewed and strengthen in 2023 to highlight key changes to risks. Improvements to risk management will continue into 2024 with the launch of a new risk management system and a review and update of policy.

Risk	Description and Potential Impact	Key controls and mitigating factors
Recruitment	There is a national shortage of health and social care workers. There is a risk that we will be able to continue to attract suitability trained staff, particularly in specialist areas. This could lead to greater reliance upon agency staff, impacting financial performance and continuous quality patient and resident care.	In order to ensure we are attractive in a highly competitive market; we regularly review our pay and benefits framework to ensure we are offering a fair and competitive package. We invest in our colleagues in training and development. We continue to review our wellbeing programme offered to staff. We have widened recruitment to overseas.
Estate and property	There is a need for continued significant investment and maintenance/remedial work to HMT's property and under lease repairing obligations. The adverse financial position in previous years has caused delays to the capital expenditure programme of work.	Survey for all sites have been obtained and the extent of the works are known. The 2024 budget has provision for year 1 of such works.
Increased costs and inflationary pressures	The annual rate of inflation reached 11.1% in October 2022, a 41-year high, before subsequently easing. High inflation affects the affordability of goods and services, not only for HMT but also for our services users. Whilst the UK's annual inflation rate fell in 2023 it is still high.	We ensure that we work closely with suppliers to ensure that the best rates are achieved. We continuously look for efficiencies in processes.
Activity and Occupancy	There is a continuing challenge of the economic climate and its impact on HMT's patients and residents' ability to self-fund treatment and care at its hospitals and care homes, resulting in budgeted activity and occupancy levels not being achieved.	We continue to market and communication the services offered by HMT and work closely with partners, such as the NHS and local authorities. Efficiency planning is always considered.
CQC/HIW Rating and compliance	Failure for our services to maintain/achieve good or outstanding compliance with the CQC/HIW could lead to financial losses and reputational damage.	Sites have action plans in place to ensure compliance and continuous quality improvement.
Government Policy	The funding for health and social care is the government's responsibility. HMT has significant contracts and framework agreements in place with the NHS. The NHS tariff increases generally have been below the general inflation rate and we have seen our margin on NHS work eroded. Other risks include National Minimum Wage, Brexit, the Government's approach to health and social care.	HMT attempts to mitigate these risks through the regular review of strategy to ensure that we can be flexible to take account of external conditions. We are work closely with local commissioners and through the Independent Healthcare Providers Network and the National Care Forum on a national level, to endeavour to address these challenges and inform the reform agenda.
Compliance with legislation and regulation	Failure to comply with legislation and regulation could lead to financial loss, reputational damage, claims against HMT, prosecution, and loss of registration.	We ensure compliance through policies and procedures, risk assessments, internal audits, insurance, and training.
Major incident	A serious incident resulting in avoidable harm, resulting in serious injury or death to a patient, resident, or employee.	There are a number of policies in place and monitoring of health and safety requirements. Clinical Governance and Quality management is a high priority and robustly monitored.

Structure, Governance and Management

Legal Structure

HMT a charitable company limited by guarantee (registered company number 01932882) and is a registered charity (registered charity number 292880) in England.

The charitable objectives of HMT Trust (as set out in its Articles of Association) are to the relief of sickness both physical and mental and to the preservation and protection of good health by such charitable means as to the trustees may decide.

HMT delivers on these core objectives through:

- Diagnosis, treatment, and care in its acute hospitals.
- Social and nursing care delivery at its care homes.
- Supporting other charities within the health and social care sectors with consultancy and management support services.
- Engaging with the communities within which HMT is based to improve quality of life outcomes and life expectancy.

Trustees are appointed based on the skills and experience they can bring to overseeing the activities of HMT. Trustees undergo a robust recruitment and appointment process, taking account of the specific skills and experience, knowledge, personality, and approach needed to ensure a well-rounded Board.

The Articles permit a maximum of 12 trustees/directors and a minimum number of 2. At the end of December 2023, the Board comprised of 8 trustees/directors. The minimum stated number contained with the Articles will be reviewed in 2024.

In 2023, a skills audit and a diversity audit of Trustees was undertaken due to impending retirements from the Trustee Board. The outcome of the audit was to ensure that future succession planning should be prioritised with focus being placed on recruiting to experience in knowledge of nursing/social care, business/commercial background and property/estates management.

The Board has previously been supported by an advisor, Phillip Jukes, who has a long established relationship with many religious orders and in particular the Daughters of Mary and Joseph and the Daughters of Wisdom, with whom HMT work. Given the principle decision to reduce focus on religious consultancy work as part of the new strategy and for operational reasons, the need for advice in 2023 has diminished however the relationship between the Board and Mr Jukes remains strong is assured that Mr Jukes is happy to provide future support should the need arise.

Board comprised of

7 TRUSTEES

CHAIR APPOINTED

September 2022

BOARD GENDER DIVERSITY

4 men

3 women

2 new trustees appointed in 2023, 3 retired

Trustee Terms of Appointments

All Trustees are appointed for terms not exceeding three years and are eligible for re-appointment for a maximum of three terms, save that, in exceptional circumstances. If it is agreed that a Trustee will serve for more than nine years, this decision is made on the basis of a rigorous review and will be reviewed on an annual basis. One Trustee has served longer than nine years: Dylan Jones. Dylan Jones was appointed as Chair of the Board of Trustees for a 3-year period from 1 September 2022. His term was extended beyond the normal limit to provide stability.

Trustee Appointments and Resignations

Two new trustees, Michael Shenouda and Merrilee Briggs, were recruited and appointed as trustees in 2023. This was together with the re-appointments of Dylan Jones and Glen von Malachowski.

Three trustees, Lina Dinner, Lynne Roberts and Nigel Draper, retired in 2023.

BOARD COMPOSITION AS AT 31ST DECEMBER 2023

Trustee	Originally appointed	Re-appointed
D Jones	12/12/2012	26/07/2023
M Gerold	16/09/2015	27/07/2022
G von Malachowski	20/04/2016	26/07/2023
C Fryar	25/05/2022*	
L Geary	25/05/2022	
J Sanders	25/05/2022	
M Shenouda	26/07/2023	
M Briggs	27/09/2023**	

**RETIRED ON 21/02/2024 *RETIRED ON 15/03/2024

Trustee Tenure at as at 31 December 2023		
1-3 years	4-9 years	9 + years
C Fryar	M Gerold	D Jones
L Geary	G von Malachowski	
J Sanders		
M Shenouda		
M Briggs		
5	2	1

TRUSTEE BIOGRAPHIES

Dylan Jones
Chair of Board
Member of Governance Committee
Member of Remuneration and Nominations Committee

Appointed: 12 December 2012

After graduating from Oxford University, he followed a highly international career in industry, including three-year spells living and working in each of Italy, Peru, Japan, Hong Kong, Australia and Switzerland. He enjoys building and leading multi-cultural and diverse teams, and is fluent in Japanese, Italian and Spanish. For 25 years he served as CEO for large quoted and privately-owned companies including Coats Viyella, Bunzl, Staples, Northgate Vehicle Hire and Selecta Vending. While at Staples he served on the Board of "In Kind Direct", one of the Prince's charities. More recently Dylan has become non-executive Director and Chair of a number of dynamic young companies, where he has been able to use his skills as a mentor.

Mark Gerold
Member of Finance Committee
Member of Governance Committee
Member of Remunerations and Nominations Committee

Appointed: 16th September 2015

Mark was a chartered surveyor with almost 50 years in practice. Having been in private practice for most of his career, most recently in 2011, he set up the Real Estate Valuation team at EY. Between 2014 and 2020 he was a trustee of the International Valuation Standards Council (IVSC), the independent body which sets global valuation standards across all asset classes. Prior to that, he had been Chairman of the Valuation Professional Group and of the Valuation Standard Board of the RICS. Specialising in the valuation of commercial properties, Mark has particular experience in the healthcare and charitable sector.

Glen von Malachowski
Chair of Finance Committee
Member of Clinical Governance Committee
Member of Remuneration and Nominations Committee

Appointed: 20 April 2016

Glen has extensive years of experience as an Executive Director within the health and social care sector and in the private, public and third sectors. Glen has undertaken a number of roles during his career including Non-Executive Director/Chairman of Helping Hands Homecare 2009 to 2019, Chairman, Heart of England Mencap 2009 - 2020, Chair VCP Homecare 2018 - present. Trustee, Chair of Services and Quality, See Ability 2009 to 2018. Robinia Group plc, 1998-2008, Culminating as CEO. 1998-2000, Director to Brain Injury Rehabilitation Trust (BIRT) - 1996 - 1998, Assistant Regional Director, Sense West (National Deafblind and Rubella Association) - 1993-1996, Assistant Unit General Manager, AMI Psychiatric Care, Stockton Hall Hospital, 1990-199, Assistant Principal, Middlesex Lodge Residential Resource Centre, 1986-1990.

Janis Sanders
Chair of Governance Committee
Member of Finance Committee
Member of Remuneration and Nominations Committee

Appointed: 25 May 2022

Jan spent 24 years as a Partner in the projects team at law firm Ashurst LLP where she was also as a senior consultant on her retirement. She worked on greenfield infrastructure projects and infrastructure mergers and acquisitions. During her time there she led numerous exciting transactions including The Barts and the Royal London Hospital Project involving new cancer care and heart specialist units for the capital. She also had a role in the successful bid to bring the Olympic Games to London in 2012. Jan was responsible for human resources matters in her department involving recruitment and promotions, appraisals and the promotion of equality and diversity. Jan became a Magistrate in 2017 and now sits in both adult and youth courts. She is also a Trustee of two other charities.

Lisa Geary
Member of the Finance Committee
Member of Remuneration and Nominations Committee

Appointed: 25 May 2022

Lisa is a solicitor, working as a Partner in the real estate team at Capsticks. She is also overall head of the Capsticks Leeds office. Lisa advises on a range of real estate matters for public and private healthcare bodies, GPs, regulatory bodies, emergency services and charity clients.

Lisa specialises in property disposals and acquisitions, site developments, strategic estate rationalisation and overage arrangements, property portfolio management, landlord and tenant and related planning and environmental matters. She has extensive experience of primary care matters including advising on sale and leasebacks, leases and the property aspects of GP practice mergers.

Michael Shenouda
Member of Clinical Governance Committee
Member of Remuneration and Nominations Committee

Appointed: 26 July 2023

Michael is an industry leader and Orthopaedic surgeon with over 15 years' experience in healthcare, including positions in public and private sectors. He has an in-depth knowledge of the corporate, technological and financial challenges in the industry, including understanding the complex stakeholder landscape. Michael has successfully worked closely with providers, clinical teams, academic institutions, and patient groups to help develop and optimise digital health solutions that improve patient care.

Specialist Trustee Lead Roles

Two trustees take on lead roles in the oversight of the areas of Safeguarding and Freedom to Speak Up. Thes are senior, independent lead roles and are there to predominantly offer support: a fresh pair of eyes to ensure that investigations are conducted with rigor and to help escalate issues, where needed. The roles are also there to challenge the most senior people in HMT to reflect on whether they could do more in there operational roles.

Glen von Malachowski was appointed Trustee Safeguarding Lead on 26 July 2023.
Janis Sanders was appointed Trustee Freedom to Speak Up Lead on 27 September 2023.

Trustee Induction, Training and Appraisals

A thorough review and update of HMT's induction material for Trustees was carried out in 2023. All new Trustees receive a tailored induction pact to ensure understanding of the role of Trustees under Charity Law and being a Director under Company Law. Induction provides an overview of the history of HMT, its governance and operational structure, vision and strategy. New Trustees are provided with a mentor to help with induction and are issued with a Governance Manual as a comprehensive reference guide to HMT.

A new training programme for new and existing trustees was agreed to ensure that skills and knowledge are kept up to date.

The Trustees appraisal process was also redrafted in 2023, creating a number of tools to support the appraisals process. This provides an opportunity for each Trustee to reflect on their role, contribution and performance. The review is also an opportunity for each Trustee to have an open discussion with the Chair in which the Trustee can voice any concerns or suggestions for improvement in any particular area. Trustee appraisals will be carried out on an annual basis.

Trustee site visits

Trustees regularly visit HMT's sites. Trustees complete a feedback form of their visits which is shared with the site teams. This enables positive feedback to be celebrated and for action plans to be developed, if required. It increases trustee's visibility and affords trustees to engage to front line colleagues, allowing trustees to understand frontline challenges and making a connection from frontline to Board. Enhanced DBS checks are all in place for trustee to ensure the safeguarding of our patients and residents.

Corporate Governance Structure

The Trustees, as the directors and charity trustees of HMT, are collectively responsible for the affairs of HMT. The Board is clear that its primary role is strategic, rather than operational. The Board sets the strategic aims of the Trust and provides leadership and guidance to the Executive team to ensure that the necessary structures and resources are in place to achieve the agreed strategy.

The Trustees delegate day-to-day executive control of the Trust to the Chief Executive and the Executive team, which meets weekly. The Executive team is responsible for running HMT in accordance with the direction set by the Board and powers delegated to it by Trustees. The Executive team is accountable to the Trustees for its performance.

A full governance review was carried out in 2023 to ensure the structure was fit for purpose, effective and efficient, proportionate, to ensure delegated responsibilities and ensure that current practice guidelines as outlined in the UK Charity Governance Code were being adopted. It was in part triggered by a recent restructure of the Executive and Senior leadership, the strategy review, to unify HMT and to address gaps identified within the governance structure.

This review led to an agreement for Board meetings reduce from at least 5 times per year to at least 4 time per year. The Board meetings are used to review operational and financial performances and monitor the delivery of strategy and achievement of business objectives. Aligning Board meetings to review and present such data on a quarter-by-quarter basis allows for better like for like period comparison. Additional Board meetings can be called if there is a reason to do so.

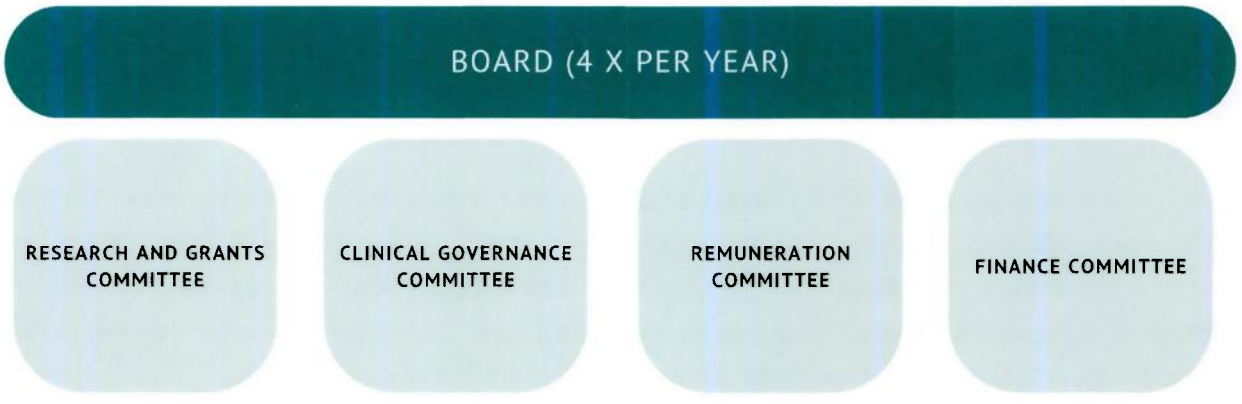
Attendance at Board meetings in 2023:

	01.03.2023	24.05.2023	26.07.2023	27.09.23	13.12.23
D Jones	✓	✓	✓	✓	✓
M Gerold	✓	✓	✓	✓	✓
G von Malachowski	X	✓	✓	✓	✓
C Fryar	✓	X	X	✓	✓
L Geary	X	✓	X	✓	✓
J Sanders	✓	✓	✓	✓	✓
L Dinner	✓	X	✓		
L Roberts	✓	✓			
N Draper	✓	✓	✓	✓	
M Shenouda				✓	✓
M Briggs					X

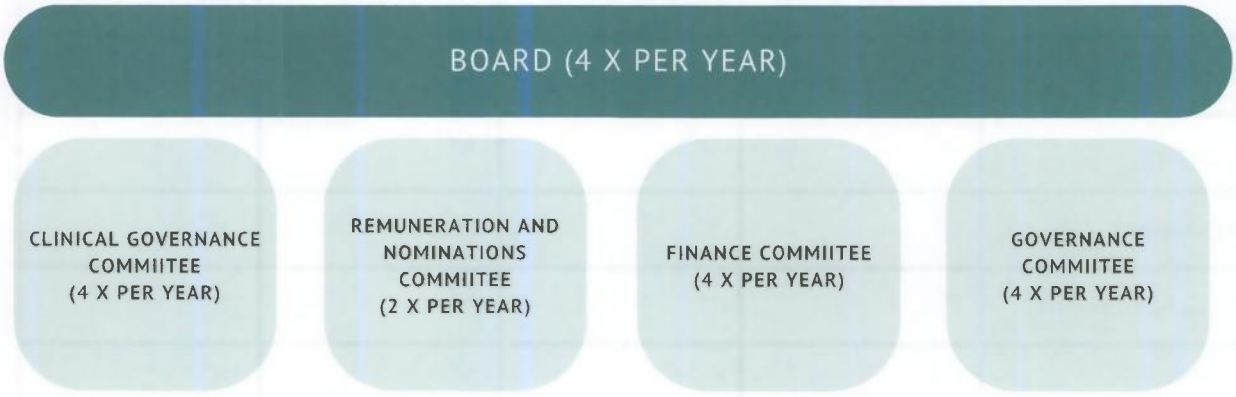
The review also led to a change in HMT's committee structure. In summary the impact of this was:

- The Remuneration Committee widened to become Remuneration and Nominations Committee. This was to ensure that there was a Committee Responsible to consider the Board's composition.
- A new committee Governance Committee to be formed to ensure that there is a committee structure to cover all elements of strategic importance including, but not limited to, estates and facilities; Information Technology; Information Governance; Marketing and Communications; People and Culture.
- For a Research and Grants Committee to no longer be held, in line with strategy discussions that any surplus generated would be invested in other charitable activity. The Research and Grants Committee did not meet in 2023.

Existing committee structure



Agreed new structure:



Terms of reference we reviewed and redrafted for all Committee meetings in 2023. The agreed structure will take effect from the start of 2024. Standardised report template have also been developed to enable consistent summary reporting from Committees to Board as to highlight the nature and content of discussions, escalation of risks, recommendations made and actions taken.

Finance Committee

The Finance Committee's purpose is to take delegated responsibility on behalf of the Board for monitoring and planning for HMT's financial position and financial control systems and ensuring that financial responsibilities correctly discharged, and that HMT remains financially viable at all times. The Finance Committee meets a minimum of four times per year, with at least three Trustee/Director members. The Chief Executive, Executive Director of Finance, Executive Office and Company Secretary, Head of Finance and Group Purchasing Manager will make themselves available to attend Committee meetings, when required. Any Trustee/Director not being a member of the Committee may attend a meeting of this Committee as an observer.

Appointments are decided by the Board and are for terms of three years and Trustees are eligible for reappointment, subject to satisfactory performance and in line with the needs of the charity. Glen von Malachowski replaced Dylan Jones as Chair of the Finance Committee on 15 February 2023, due to the appointment of Dylan Jones to Board Chair. Dylan Jones stood down a member of the Finance Committee on the same date.

Attendance at Finance Committee meetings in 2023

	13.02.2023	13.05.2023	12.07.2023	29.11.2023
D Jones	✓			
J Sanders	✓	✓	✓	✓
M Gerold	✓	✓	✓	✓
G von Malachowski	✓	✓	✓	✓
L Geary	X	X	✓	✓

Clinical Governance Committee

The Clinical Governance Committee's purpose is to take delegated responsibility on behalf of the Board to provide assurance to the Board that key critical clinical systems and processes are effective and robust and that any emerging areas of clinical concern/risk are properly managed.

The Clinical Governance Committee should meet a minimum of four times per year, with at least three Trustee/Director members. The Committee only met twice in 2023 due to changes in leadership and availability. Assurance however was gained through the Quality Group and direct reporting to Board. Executive Director of Nursing, AHPs and Quality, Director of Clinical Governance and Assurance , Responsible Officer/ Medical Officer, Heads of Clinical Services at HMT Hospitals, Quality Improvement Manager and Care Home Managers, will make themselves available to attend Committee meetings, when required. Any Trustee/Director not being a member of the Committee may attend a meeting of this Committee as an observer.

Appointments are decided by the Board and are for terms of three years and Trustees are eligible for reappointment, subject to satisfactory performance and in line with the needs of the charity.
The Clinical Governance Committee faced challenges within 2023 with changes of leadership, both operationally and trustee members. Caroline Fryar replaced Lila Dinner as Chair of the Clinical Governance Committee, following the retirement of Lila Dinner on 24 May 2023. Lynne Roberts also retired as a trustee and from the Clinical Governance Committee on 24 May 2023. The Committee saw the appointment to the Clinical Governance Committee of two Trustees, Michael Shenouda and Merrilee Briggs, upon their appointments as trustees in July 2023 and September 2023 respectively.

Attendance at Clinical Governance Committee meetings in 2023

	13.04.2023	12.10.2023
L Dinner	✓	
L Roberts	✓	
G von Malachowski	✓	✓
C Fryar	X	✓
M Briggs		✓
M Shenouda		✓

Remuneration and Nomination Committee

The Remuneration and Nominations Committee's purpose is to take delegated responsibility on behalf of the Board for overseeing the remuneration for the Executive and Senior Management Team and ensuring robust Board effectiveness and corporate governance. The Committee is principally responsible for reviewing the structure, size and composition of the Board (including the skills, knowledge and experience of the Trustees). The Committee meets at least twice per annum and comprises all Trustees. In addition to the trustees/directors, the Chief Executive Officer, Executive Director of Finance, Executive Office and Company Secretary and Executive Director People, Culture and Communications shall make themselves available to attend meetings of the Committee. Whilst the Remuneration and Nominations Committee formally met only once in 2023, corporate governance updates were provided to every board meeting.

Attendance at Remunerations and Nomination Committee Meetings in 2023

	27.09.23
D Jones	✓
M Gerold	✓
G von Malachowski	✓
C Fryar	✓
L Geary	✓
J Sanders	✓
N Draper	✓
M Shenouda	✓

Governance Committee

The Governance Committee's purpose is to take delegated responsibility on behalf of the Board for key critical non-clinical systems and processes are effective and robust. These systems will include:

- Fire, Security and health and safety.
- Estates and maintenance;
- Catering, Housekeeping and admin;
- Business Contingency Planning;
- Information Governance;
- Cyber Security;
- HR, People, Workforce and Culture;
- Freedom to Speak Up;
- Sustainability;
- Non-clinical complaints and claims;
- Equality & Diversity;
- Marketing and Communications;
- Information Technology.

Appointments are decided by the Board and are for terms of three years and Trustees are eligible for reappointment, subject to satisfactory performance and in line with the needs of the charity. Janis Sanders has been appointed as Chair of Governance. Whilst there is a preference for the Chair of the Board not to be a member of a committee, due to the current number of trustees, an exception has been made to appoint Dylan Jones as a member of the Governance Committee. Mark Gerold is the 3 trustee members. Any Trustee/Director not being a member of the Committee may attend a meeting of this Committee as an observer. The first Committee meeting will be held in 2024.*

*The first meeting was held in January 2024.

Board and Committee Effectiveness reviews

A new Board and Committee Performance Review Policy was agreed in 2023 to introduce tools and processes to provide an opportunity for the Board and members of each Committee to reflect and ensure that they are functioning properly and effectively, in the best interests of HMT. The reviews for 2023 will be carried out early 2024 and reported to subsequent Committees and Board meetings.

Compliance with the Charity Governance Code

The Board notes the content of the Charity Governance Code. An exercise to gain full assurance of compliance with the code is currently underway.

Trustee remuneration

Only the Chair of the Board is remunerated, and details of the Chair's remuneration are set out in notes to the accounts at page 70. All other Trustees give their time voluntarily, with no remuneration from HMT in connection with their duties as trustees. Trustees are entitled to be reimbursed for reasonable travel and subsistence costs and the Trust arranges indemnity insurance cover on behalf of the Board.

Conflicts of Interest

Trustees and Senior Leaders are aware of their legal duty to act in the best interests of HMT and abide by HMT's Conflicts of Interest policy. In practice this means that any Trustee who has a conflict of interest in relation to any matter discussed by the Board must declare that interest at the start of the meeting, withdraw from discussions and not participate in voting. There is opportunity at the start of each Board and Committee meeting to declare any interests. In addition, HMT records interests of its trustees and senior leadership team in its register of interests based on the annual written declarations made by Trustees and its senior leadership team. This is updated during the course of the year, if required.

Statement of Adherence to the Fundraising Regulator Code

HMT does not fundraise.

Trustees' Responsibilities Statement

The Trustees (who are also directors of the Trust for the purposes of company law) are responsible for preparing the Trustees Report and 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 HMT and of the income and expenditure of HMT 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom 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 HMT will continue in operation.

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

Each of the Trustees confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the Trust's auditor is unaware; and
- The Trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Trustee's report, including the Strategic Report, was approved and signed by Trustees on [ ].

Signed on behalf of the Trustees:

D G Jones (Board Chair and Trustee)
Date: 22 May 2024

Independent auditor's report to the members of The Healthcare Management Trust

Opinion

We have audited the financial statements of The Healthcare Management Trust (the 'charitable company') for the year ended 31 December 2023, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 December 2023 and of 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 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 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 and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report including 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Companies Act 2006, data protection legislation, the Care Standards Act, Healthcare Commission regulations, Safeguarding regulations and Medical Health & Safety regulations; and

Auditor's responsibilities for the audit of the financial statements (continued)

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed how journal entries are entered to minimise the risk of any unusual postings from being made;
- tested the authorisation of expenditure as part of our substantive testing thereon;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of trustee meetings;
- enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- reviewing any available correspondence with the CQC, HIW, HMRC and the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP

03 June 2024

Statement of Financial activities

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Total funds 2023 £	Total funds 2022 £
INCOME AND EXPENDITURE ACCOUNT			
INCOME FROM:			
Donations and legacies		**31,494**	730
Investment income and interest receivable	1	**67,151**	7,009
Charitable activities			
. Healthcare establishment fees and related charges	2	**50,460,543**	45,553,965
Total income		**50,559,188**	45,561,704
EXPENDITURE ON:			
Raising funds			
Investment manager's fees		**-**	4,179
Financing costs	3	**530,938**	473,452
		530,938	477,631
Charitable activities			
Promotion and development of healthcare			
. Healthcare establishment expenses	4	**47,835,857**	46,747,143
. Charitable grants	5	**188,553**	47,045
		48,024,410	46,794,188
Total expenditure		**48,555,348**	47,271,819
Net income (expenditure) before losses on investments	7	**2,003,840**	(1,710,115)
Net (losses) on listed investments (fully liquidated in 2022)		**-**	(41,040)
Net income (expenditure) for the year and net movement in funds		**2,003,840**	(1,751,155)
Reconciliation of funds:			
Balances brought forward at 1 January 2023		**18,994,063**	20,745,218
Balances carried forward at 31 December 2023		**20,997,902**	18,994,063

All activities derived from continuing operations in each of the above two years with all income and expenditure being unrestricted.

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible fixed assets	10	**30,733,509**	30,724,348
		30,733,509	30,724,348
Current assets			
Stocks	11	**556,715**	562,042
Debtors	12	**2,606,568**	2,500,374
Cash at bank and in hand		**6,200,509**	3,605,296
		9,363,792	6,667,712
Creditors: amounts falling due within one year:	13	**(8,644,883)**	(7,029.539)
Net current assets (liabilities)		**718,909**	(361,827)
Total assets less current liabilities		**31,452,418**	30,362,521
Creditors: amounts falling due after one year	14	**(10,454,516)**	(11,368,458)
Total net assets		**20,997,902**	18,994,063
The funds of the Trust			
General funds		**1,361,442**	428,393
Tangible fixed assets fund	15	**19,214,849**	18,290,549
Designated funds	16	**421,611**	275,121
		20,997,902	18,994,063

Approved by the Trustees and signed on their behalf by: Dylan Jones (Chairman and Trustee)

Approved on: 22 May 2024

The Healthcare Management Trust: A company limited by guarantee, Company Registration No. 01932882 (England and Wales)

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	**6,121,036**	(596,444)
Cash flows from investing activities:			
Investment income and interest received		**67,151**	7,009
Purchase of tangible fixed assets		**(2,148,094)**	(891,591)
Proceeds from disposal of fixed assets		**–**	800,000
Proceeds from the disposal of investments		**–**	1,535,290
Net cash (used in) provided by investing activities		**(2,080,943)**	1,450,708
Cash flows from financing activities:			
Interest paid		**(530,938)**	(473,452)
Repayments of borrowing		**(575,000)**	(575,000)
Repayments of finance leases		**(338,942)**	(489,204)
Net cash (used in) financing activities		**(1,444,880)**	(1,537,656)
Change in cash and cash equivalents in the year		**2,595,213**	(683,391)
Cash and cash equivalents at 1 January 2023	B	**3,605,296**	4,288,687
Cash and cash equivalents at 31 December 2023	B	**6,200,509**	3,605,296

Notes to the statement of cash flows for the year to 31 December 2023.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	**2,003,840**	(1,751,155)
Adjustments for:		
Depreciation charge	**2,076,117**	2,108,642
Losses on investments	**–**	41,040
Investment income and interest receivable	**(67,151)**	(7,009)
Interest payable	**530,938**	473,452
Loss on disposal of tangible fixed assets	**62,815**	201,124
Decrease in stocks	**5,327**	6,341
(Increase) decrease in debtors	**(106,194)**	805,381
Increase (decrease) in creditors	**1,615,344**	(2,474,260)
Net cash provided by (used in) operating activities	**6,121,036**	(596,444)

B Analysis of cash and cash equivalents	2023 £	2022 £
Cash at bank and in hand	**6,200,509**	3,605,296
Total cash and cash equivalents	**6,200,509**	3,605,296

C Analysis of changes in net debt	At 1 January 2023 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 December 2023 £'000
Cash	3,605,296	2,595,213	–	**1,010,083**
Finance lease obligations	(1,508,798)	340,138	–	**1,168,660**
Loans	(10,925,000)	575,000	–	**11,500,000**
Total	(8,828,502)	3,510,351	–	**11,658,577**

Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2023. Comparative information is provided in respect to the year to 31 December 2022.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

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

The Trust constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Scope

The accounts of the two owned hospitals and the two leased care homes are included in these accounts on a line-by-line basis.

Critical accounting estimates and areas of judgement

The preparation of the accounts in compliance with the Charities SORP FRS 102 requires the use of certain critical accounting estimates. It requires also that management and Trustees exercise judgement in applying the Trust's accounting policies.

In preparing these accounts, the Trustees have made significant estimates and judgements in the following areas:

- Estimating the expected useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- Estimating any provision for bad or doubtful debts;
- Classification of leases as finance or operating; and
- Estimating future income and expenditure flows for the purpose of assessing going concern.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

The Trustees have taken into consideration the current economic uncertainties in their projections, they have reviewed possible areas of short-term and medium-term mitigation within their control and believe that these offer sufficient comfort to be of the opinion that the Trust's financial position is such that it is expected to be able to withstand the challenges presented.

The Trust also has a commercial mortgage that is subject to financial covenants. The Trustees believe that these financial covenants will be met. The Trustees have assessed the financial risks associated with meeting the financial covenants and are satisfied that they have viable mitigating actions that could be initiated if required in order to achieve compliance with the covenants.

The Trustees have therefore concluded that are no material uncertainties that may cast significant doubt on the ability of the Trust to continue as a going concern, and therefore, they are of the opinion that the Trust will have sufficient resources to meet its liabilities as they fall due.

Income recognition

Income is recognised in the period in which the Trust has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises healthcare establishment fees and related charges, donations and investment income and interest receivable. Income from healthcare fees and related charges is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured. It is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Consultant's fees, included within healthcare fees and related charges, are treated as income and expenditure for the Trust, except where the consultants bill the patients directly.

Donations are recognised when the Trust has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Investment income is recognised once the dividend or similar payment has been declared and notification has been received of the amount due.

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

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the Trust. This includes investment management fees and the costs associated with servicing loan finance.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Trust through the provision of its charitable activities. Such costs include the provision of healthcare in acute hospitals and care homes and the making of charitable grants and donations. Expenditure on charitable activities includes both direct costs and indirect support costs.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

The provision of a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payments, settlement is probable and the effect of the discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant is made. This discount rate is regarded by the Trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Trust.

All expenditure is stated inclusive of irrecoverable VAT.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Trust it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Trust (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned to healthcare establishment expenses only.

Tangible fixed assets

Individual assets costing £1,000 or more, with an expected useful life exceeding one year, are capitalised at cost.

Certain freehold property is included in the accounts at a valuation determined during 1990 on the basis of existing use at that date. In accordance with the transitional provisions of Financial Reporting Standard 102, this valuation has not been updated and with effect from 1 January 2014 is deemed to be cost. All other freehold property and tangible fixed assets are included in the accounts at cost.

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

- Freehold buildings 2 - 2.5%
- Leasehold buildings 2%
- Fixtures and fittings 10-20%
- Plant and machinery 15%
- Motor vehicles 33⅓%
- Other equipment 15-33%

Assets under construction are not depreciated. Once the asset has been completed, the cost thereof is reclassified under the appropriate asset category and depreciated in accordance with the rates set out above.

Plant and machinery includes hospital facilities such as operating theatres and related equipment.

Stocks

Stocks of medical and sundry supplies comprising drugs, dressings and medical consumables are stated at the lower of cost and net realisable value. Provision is made against any slow moving or obsolete stock.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Trust anticipates it will pay to settle the debt.

Fund structure

General funds represent income or generated for expenditure on the general objectives of the Trust.

The tangible fixed assets fund represents the net book value of the Trust's tangible fixed assets, less any financing liabilities.

Designated funds represent monies or assets set aside by the Trustees, out of general funds, for specific purposes.

Restricted funds represent monies to be applied for specific purposes in accordance with donors' wishes.

Leased assets

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities on a straight-line basis over the lease term.

Assets held under finance leases are capitalised and disclosed under tangible fixed assets at their net book value. The capital element of the future payments is treated as a liability and the interest is charged to the Statement of Financial Activities on a straight-line basis.

Pension costs

Contributions in respect of both the Trust's defined contribution scheme and stakeholder pension scheme are charged to the statement of financial activities in the period in which they become payable to the scheme.

In August 2014, all eligible members of staff (not already contributing to an eligible scheme) were required to be auto-enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of financial activities in the year in which they are payable.

Termination benefits

Termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the reporting date. If the expected settlement date of the termination payments is 12 months or more after making the provision and the effect would be material, the present value of the obligation must be calculated using an appropriate discount rate.

Notes to the accounts

1.Investment income and interest receivable	Unrestricted funds	
	2023 £	2022 £
Income from listed investments	–	5,957
Interest receivable	**67,151**	1,052
	67,151	**7,009**

2. Healthcare establishment fees and related charges	Unrestricted funds	
	2023 £	2022 £
Management and consultancy fees	**99,866**	60,014
Hospital fees and related charges	**40,996,502**	37,873,903
Nursing and residential home fees and related charges	**9,364,175**	7,620,048
	50,460,543	**45,553,965**

Management and consultancy fees represent monies receivable by the Trust under agreements for the management of care homes owned by independent third parties and from consultancy studies carried out for independent hospitals and care homes.

3. Financing costs	Unrestricted funds	
	2023 £	2022 £
Interest payable on bank loans and finance leases	**530,938**	473,452

4. Healthcare establishment expenses

	Unrestricted funds	
	2023 £	2022 £
Staff costs (note 8)	**19,331,010**	18,625,944
Premises and equipment	**6,532,729**	6,208,334
Medical and welfare	**18,565,394**	17,740,495
Governance costs (note 6)	**62,743**	91,360
Other expenses	**3,343,982**	4,081,011
	47,835,858	46,747,143

5. Charitable grants

	2023 £	2022 £
Charitable donations and share of surplus (note 18)	**188,553**	47,045

6. Governance costs

	Unrestricted funds	
	2023 £	2022 £
Internal audit	**–**	12,808
External audit, committee and other costs	**62,743**	78,552
	62,743	91,360

7. Net income (expenditure) before losses on investments	Unrestricted funds	
This is stated after charging:	**2023** £	**2022** £
Staff costs (note 8)	**19,331,010**	18,625,944
External auditor's remuneration		
Audit services (including VAT)	**41,267**	41,375
Depreciation	**2,076,117**	2,108,642
Operating lease rentals	**577,340**	489,503
Hire of plant and machinery		
Rental of non-medical equipment	**165,436**	90,878
Rental of medical equipment	**1,459,367**	1,022,599

8. Staff costs and Trustees' remuneration

	2023 £	**2022** £
Staff costs during the year were as follows:		
Wages and salaries	**16,222,062**	14,892,405
Social security costs	**1,547,043**	1,445,569
Other pension costs	**565,882**	510,903
Apprenticeship levy	**68,438**	58,794
Payments to employed staff	**18,403,425**	16,907,670
Payments to agency staff	**927,585**	1,718,274
	19,331,010	18,625,944

Included in the above are termination payments amounting to £37,071 (2022: £284,020) of which £0 remain payable at the balance sheet date.

Payments to agency staff during the year reflect the national shortage of nursing staff seeking permanent employment. The average number of employees, including agency staff, was:

	Full time equivalents		**Headcount**	
	2023	2022	**2023**	2022
Healthcare services	**492**	465	**627**	594

8. Staff costs and Trustees' remuneration (continued)

The number of employees who earned £60,000 per annum or more (including taxable benefits, but excluding employer's pension contributions) during the year was as follows:

	2023	2022
£60,001 - £70,000	**9**	6
£70,001 - £80,000	**8***	3
£80,001 - £90,000	**2**	2
£90,001 - £100,000	**1**	1*
£100,001 - £110,000	**–**	1
£110,001 - £120,000	**–**	1
£130,001 - £140,000	**–**	1
£140,001 - £150,000	**1**	–
£150,001 - £160,000	**1**	–
£160,001 - £170,000	**1***	2*
£190,001 - £200,000	**1**	1*
£280,001 - £290,000	**–**	1*

Please note that lines denoted by * include an element of settlement figure in the total salary disclosed. Termination payments totalled £37,071 (2022: £414,424) made to 2 members (2022: 4) of staff during the year.

Employer contributions are made to money purchase schemes in respect to 21 (2022: 19) of those employees who earned £60,000 or more during the year. Total employer contributions to money purchase schemes in respect of such employees during the year amounted to £148,233 (2022: £143,463).

No trustee received any remuneration in respect of their services as Trustees during the year (2022: none). During the year, with the approval of the Charity Commission, Dylan Jones received £30,000 (2022: £10,300) in respect to management services provided to the Trust. Up until his resignation in September 2022, J R Q Folliott Vaughan received £20,600 for the same services.

Expenses in connection with travel and subsistence were reimbursed to 8 Trustees (2022: 5 Trustee) during the year and amounted to £5,899 (2022: £3,832).

8. Staff costs and Trustees' remuneration (continued)

The Trust has purchased insurance to protect itself from any loss arising from the neglect or defaults of its Trustees, employees and agents and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the Trust during the year totalled £28,000 (2022: £28,000) and provides cover of up to a maximum of £5 million (2022: £5 million).

The key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis comprise the Trustees, the Executive Management, the Director at each of the of the Hospitals and the Senior Manager at each of the care homes. The total remuneration (including taxable benefits, termination payments and employer's pension contributions) of the key management personnel for the year was £1,694,390 (2022: £1,746,301).

9. Taxation

The Healthcare Management Trust is a registered Trust and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

10. Tangible fixed assets

	Freehold property £	Leasehold property £	Fixtures and fittings £	Plant and equipment £	Total £
Cost or valuation					
At 1 January 2023	4,041,153	22,126,323	4,324,933	15,456,045	**45,948,454**
Additions	122,605	519,557	487,446	1,018,486	**2,148,094**
Disposals	–	–	(492,419)	(1,436,896)	**(1,929,315)**
At 31 December 2023	**4,163,758**	**22,645,880**	**4,319,960**	**15,037,635**	**46,167,2333**
Cost	2,913,758	22,645,880	4,319,960	15,037,635	**44,917,233**
Deemed cost: Valuation - 1990	1,250,000	–	–	–	**1,250,000**
	4,163,758	22,645,880	4,319,960	15,037,635	**46,917,233**
Depreciation					
At 1 January 2023	1,141,193	585,650	2,503,860	10,993,403	**15,224,106**
Provided in the year	73,349	385,119	396,501	1,221,148	**2,076,117**
Reclassification	–	19,471	(19,471)	–	–
On disposals	–	–	(277,695)	(1,588,805)	**(1,866,500)**
At 31 December 2023	**1,214,542**	**990,240**	**2,603,195**	**10,625,746**	**15,433,723**
Net book values					
At 31 December 2023	**2,949,216**	**21,655,640**	**1,716,765**	**4,411,889**	**30,733,510**
At 31 December 2022	2,899,960	21,540,673	1,821,075	4,462,640	30,724,348

9. Taxation (continued)

Leasehold property includes costs of construction of the new Sancta Maria hospital, which was financed, in part, by a loan from HSBC Bank plc. This arrangement is secured by way of legal charges over the new Sancta Maria Hospital at Langdon Road, Swansea, the old Sancta Maria Hospital site in Ffynone Road, Swansea SA1 6DF and St Hugh's Hospital, Peaks Lane, Grimsby, DN32 9RP, as well as fixed and floating charges over all property of the Trust.

Certain freehold property included above was revalued in 1990 at an existing use valuation of £1,250,000. Had it not been revalued, it would have been included on the historical cost basis at the following amounts:

	£
Cost	**1,023,209**
Accumulated depreciation	**(758,842)**
Net book amount at 31 December 2023	**264,367**
Net book value at 31 December 2022	**289,847**

As permitted under the transitional arrangements within Financial Reporting Standard 102, the Trust has continued to adopt a policy of not revaluing tangible fixed assets. It is likely that there are material differences between the open market values of the Trust's land and freehold properties and their book values. These arise from the specialised nature of some of the properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the Trustees, is not justified in terms of the benefits to the users of the accounts.

11. Stocks

	2023 £	2022 £
Drugs, dressings and consumables	**556,715**	562,042

12. Debtors

	2023 £	2022 £
Fees and related charges	**1,498,147**	1,467,457
Other debtors	**3,247**	6,558
Prepayments and accrued income	**1,105,174**	1,026,359
	2,606,568	2,500,375

13. Creditors: amounts falling due within one year

	2023 £	2022 £
Expense creditors	**2,745,036**	2,718,009
Social security and other taxes	**556,164**	373,310
Other creditors	**45,046**	30,285
Accruals and deferred income	**3,316,959**	2,255,794
Sancta Maria construction creditors	**586,800**	586,800
Finance lease repayable within one year	**489,144**	490,341
Bank loan repayable within one year	**575,000**	575,000
	8,644,883	7,029,539

14. Creditors: amounts falling due after one year

	2023 £	2022 £
Finance lease repayable (see below)	**679,516**	1,018,458
Bank loan (see below)	**9,775,000**	10,350,000
	10,454,516	11,368,458

Finance lease

	2023 £	2022 £
Amounts due:		
Within one year (note 13)	**489,144**	490,341
Between one and two years	**144,233**	483,165
Between two and five years	**535,293**	535,293
	679,516	1,018,458
	1,168,660	1,508,799

14. Creditors: amounts falling due after one year (continued)

Bank loan

	2023 £	2022 £
Amounts due:		
Within one year (note 14)	**575,000**	575,000
Between one and two years	**575,000**	575,000
Between two and five years	**1,725,000**	1,725,000
Between five and seven years	**7,475,000**	8,050,000
	9,775,000	10,350,000
	10,350,000	10,925,000

On 18 April 2019, the Trust signed a development and commercial mortgage facilities agreement with HSBC Bank plc. This enabled the Trust to draw down up to £11,500,000 in order to finance the construction project at Sancta Maria Hospital. This was fully drawn down as at 31 December 2021. Under the terms of the agreement, the mortgage will be repaid in consecutive instalments based on a twenty year amortisation profile with the first instalment being paid on 31 March 2022 and the loan is repayable in full in February 2029.

The final loan payment will be made six months after the eighth anniversary of the final drawdown i.e. in February 2029. Interest is payable at a rate of 2.5% over SONIA. In order to limit interest rate risk, HMT have entered into a Swap with a cap of 2.0% above margin.

15. Tangible fixed assets fund

	Total 2023 £	Total 2022 £
At 1 January 2023	**30,724,348**	32,942,525
Net movement in the year	**9,161**	(2,218,177)
	30,733,509	30,724,348
Less: Bank loan and finance leases to finance the construction and acquisition of tangible fixed assets	**(11,518,660)**	(12,433,799)
At 31 December 2023	**19,214,849**	18,290,549

The tangible fixed assets fund represents the net book value of the Trust's tangible fixed assets less the value of bank loans (note 14) obtained to finance the construction and acquisition of tangible fixed assets including those acquire through finance leases (note 14).

16. Designated funds

The unrestricted funds of the Trust include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific reasons or purposes:

	At 1 January 2023 £	New designations £	Released or utilised £	At 31 December 2023 £
Marie Louise House building and equipment reserve	3,144	6,489	–	9,633
Coloma Court building reserve	271,977	140,000	–	411,978
	275,121	146,489	–	421,611

	At 1 January 2022 £	*New designations £*	*Released or utilised £*	*At 31 December 2022 £*
Marie Louise House building and equipment reserve	*3,144*	–	–	*3,144*
Coloma Court building reserve	*271,977*	–	–	*271,977*
	275,121	–	–	*275,121*

The Marie Louise House building and equipment reserve represents money set aside to finance the future purchase of equipment, and the repair and maintenance of the buildings occupied by the Trust, at Marie Louise House, Romsey.

The Coloma Court building reserve represents moneys set aside to finance the repair and maintenance of the buildings occupied by the Trust at Coloma Court Care Home, West Wickham.

17. Analysis of net assets between funds

	General funds £	Tangible fixed assets fund £	Designated funds £	Total 2023 £
Tangible fixed assets	–	**30,733,509**	–	**30,733,509**
Net current assets	**1,361,440**	**(1,064,144)**	**421,611**	**718,907**
Creditors: Amounts falling due after one year	–	**(10,454,516)**	–	**(10,454,516)**
	1,361,440	**19,214,849**	**421,611**	**20,997,901**

	General funds £	*Tangible fixed assets fund £*	*Designated funds £*	*Total 2022 £*
Tangible fixed assets	–	*30,724,348*	–	*30,724,348*
Net current assets	*428,393*	*(1,065,341)*	*275,121*	*(361,827)*
Creditors: Amounts falling due after one year	–	*(11,368,458)*	–	*(11,368,458)*
	428,393	18,290,549	*275,121*	*18,994,063*

The total unrealised gains as at 31 December 2023 constitute a revaluation reserve as defined by the Companies Act 2006. Movements in unrealised gains during the year were as follows:

	2023 £	2022 £
Unrealised gains included above:		
On freehold property	**69,870**	64,200
Total unrealised gains at 31 December 2023	**69,870**	64,200
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2023	**64,200**	203,087
Difference between historical cost realised gains/losses on listed investments and the actual realised gains/losses thereon calculated on the revalued amounts	–	(144,557)
Difference between the depreciation charge based on historic cost and that based on the revalued amounts	**5,670**	5,670
Total unrealised gains at 31 December 2023	**69,870**	64,200

18. Share of surplus and donations to charities

The lease agreement for Coloma Court Care Home stipulates that the Daughters of Mary and Joseph will receive a share of the surplus in respect of the nursing home operations equal to 50% of the net surplus. The 2023 share amounted to £179,024 (2022: £nil due to a deficit arising in the previous year)

The lease agreement for Marie Louise House stipulates that the Daughters of Wisdom will receive a share of the surplus in respect of the nursing home operations equal to 50% of the net surplus but will contribute 50% of any net deficit. The 2023 surplus amounted to £nil (2022: £nil).

Further donations amounting to £9,529 (2022: £47,045) were made to various other charitable organisations and beneficiaries.

19. Pensions

The Trust operates a defined contribution scheme for the benefit of the employees and contributes both to personal pension plans, stakeholder pension plans of individual employees and the NEST auto-enrolment scheme. During the year total contributions made by the Trust were £565,882 (2022: £523,631) of which £406,443 (2022: £348,444) were to the NEST auto-enrolment scheme and £159,439 (2022: £175,187) were to the defined contribution scheme.

20. Leasing commitments

Operating lease payments amounting to £883,310 (2022: £577,340) are due within one year. The leases to which these amounts relate expire as follows:

	Land and buildings		Other	
	2023 £	2022 £	**2023** £	2022 £
Operating leases which expire:				
Within one year	**813,808**	505,245	**69,502**	72,095
Within two to five years	**3,237,938**	1,087,608	**43,636**	118,365
Over 5 years	**19,520,000**	–	–	–
	23,571,746	1,592,853	**113,138**	190,460

Bankers:

HSBC UK Bank Plc, 1 Centenary Square, Birmingham B1 1HQ

Solicitors:

BDB Pitmans LLP, 50 Broadway, London SW1H 0BL

DAC Beachcroft LLP, 25 Walbrook, London EC4N 8AF

Clarke Mairs, One Hood Street, Newcastle upon Tyne, NE1 6JQ

Company number 01932882

HEALTHCARE MANAGEMENT TRUST

THE HEALTHCARE MANAGEMENT TRUST

England & Wales - Charity number 292880

Accounts

Companies House

The Healthcare Management Trust

Annual Report and Accounts

31 December 2022

Company Limited by Guarantee
Registration Number
01932882 (England and Wales)

Charity Registration Number
292880

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Reference and administrative information

Trustees	D G Jones (Chairman) N Draper Dr Caroline Fryar L Geary M Gerold J Sanders G von Malachowski
Company Secretary	A Hayward
Adviser to the Board	P Jukes
Executive management team	
Chief Executive	Nichola Stefanou
Director of Finance	Nigel Roissetter
Director of Operations	Mair Williams
Executive Office and Company Secretary	Andrea Hayward
Registered and principal office	1 Langdon House Langdon Road Swansea SA1 8QY
Telephone	020 7222 1177
Website	www.hmt-uk.org
E-mail	admin@hmt-uk.org
Company registration number	01932882 (England and Wales)
Charity registration number	292880
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC UK Bank Plc 1 Centenary Square Birmingham B1 1HQ
Solicitors	BDB Pitmans LLP 50 Broadway London SW1H 0BL

The Trustees, who are directors of The Healthcare Management Trust (the "Trust") under company law, submit their annual report and the audited financial statements for the year ended 31 December 2022.

About The Healthcare Management Trust

The Trust was established in 1985 with the aim of relieving sickness, both physical and mental, and the preservation and protection of good health. The Trust delivers on these core objectives through:

- Diagnosis, treatment, and care in its acute hospitals.
- Social and nursing care delivery at its care homes.
- Supporting other charities within the health and social care sectors with consultancy and management support services.
- Engaging with the communities within which the Trust is based to improve quality of life outcomes and life expectancy.
- The funding of pure and applied research grants in the fields of health and social care.
- The provision of community development grants for health and social care projects.

The Trust raises no voluntary income; the Charity's work is funded solely through its operating income, investments, and reserves. We provide access to all, without regard to the route patients and residents take in coming to us.

The Trustees have regard to the general guidance provided by the Charity Commission when they review the aims and activities of the Trust and the provision by the Trust of public benefit.

The Trust conducts its work based within the context of a set of guiding principles:

- A belief that each of our patients, residents and their families are unique individuals, and we place them at the heart of everything we do and seek to achieve.
- Respect for all faiths and a belief that there is a special pastoral dimension in caring for others which involves a combination of spiritual, emotional, physical, and ethical elements.
- The need to treat and care for each of our residents and patients, their families, friends and our colleagues with the respect and dignity we ourselves would expect to receive.
- An acknowledgement of the physical, mental, and social vulnerabilities that our residents and patients may experience, and the absolute responsibility placed upon us to safeguard them at all times.
- A recognition that the settings in which we provide care for the older person represent each resident's home and we respect this.
- An absolute belief in the sanctity of life and the need for dignity at its end.
- The need to involve each patient and resident, their family and carers in decision making and planning regarding their care with the need to be open and honest.

Our Strategic Objectives

Our current strategic objectives are as follows:

- To deliver high quality, evidence based, safe patient/resident centred treatment and care.
- To develop our staff's skills and competencies.
- To work with our partners and stakeholders for the benefit of our residents and patients.
- To value the ethos and mission of the founders of our hospitals and care homes.
- To play an active role within the fields of health and social care contributing to the development of national policy and improving local provision.
- To provide strategic, management and operational support to other charities operating within health and social care in order that they may grow and develop sustainably.
- To constantly improve the quality and range of services we provide to our users.
- To contribute to the health and wellbeing of the geographical communities we work within, fulfilling an active role in the leadership and delivery of healthy active and wellbeing programs.
- To fund research within the field of dementia and other areas of health and social care.
- To support individuals who suffer from isolation and loneliness within the geographical communities we work within.

Key Facts and Numbers

During the year:

- Income grew by 17%.
- The Trust employed 594 staff, equating to 465 whole time equivalents.
- Overall, 51% of patients treated at the Trust's hospitals were funded by the NHS, at the same cost to the NHS had NHS hospitals provided the diagnosis and treatment.
- Admitted patient activity equated to 10,184 episodes, an increase of 19% on the previous year.
- Day cases represented 72% of admitted patient activity.
- The average length of stay for inpatients within our hospitals was 1.54 nights with the overall average for all patients equating to 1.15 nights.
- Our hospitals had no recorded cases of hospital acquired Covid-19, MRSA or Clostridium Difficile (C Diff).
- Our care homes provided 4,908 weeks of care, equating to 34,356 resident nights, with an overall average occupancy of 87% across our care homes.

Key Facts and Numbers (continued)

- 7.5% of residents accommodated in our care homes were funded in whole or part by the state.

- We supported, at less than commercial cost, 6 charities in their management, governance oversight and care management, within 17 care homes encompassing 346 elder/physical/neurological disability care beds.

Achievements, Performance and Future Plans

Covid-19 Pandemic

The first half of 2022 continued to prove challenging with our Care Homes experienced significant Omicron variant outbreaks at the end of 2021 continuing into 2022. Low level numbers of staff positives continued throughout the year which negatively impacted on staff availability and costs.

Families continued to be cautious, and this impacted on the rate of new admissions to our homes. The trend of admissions coming in the later stages of a resident's life journey with multiple health issues continued and it is our view that this is now embedded in the market. As a result, length of stay is much reduced with the ratio of admissions and discharges increasing as a result. The work of admitting residents has taken on a new focus within this scenario. Occupancy at our care homes did not recover to pre pandemic levels until the latter part of the year.

Within our hospitals we experienced a significant Omicron variant outbreak in Grimsby in early spring which resulted in our closing our operating theatre suite for 2 weeks due to staff illness. This had a negative impact on the hospital's financial performance.

Across both of our hospitals the level of patient cancellations fluctuated dependant on the local Covid community rate of infection.

The Trust supported the implementation of the Influenza and Covid Booster Programmes encouraging our care home residents and all our staff to take up these programmes and become vaccinated. This effort was largely successful although reluctance to Covid Vaccination remains in some staff groups.

Our staff and partners were magnificent in meeting the continuing challenges that Covid continues to bring, and the Trustees wish to extend their thanks to the entire HMT Team.

Cost Pressures

Like many other charities in the field of Health and Social Care, the Trust has experienced significant upward pressure on costs across all areas of procurement and services. The Trust continues to explore all avenues to mitigate these cost pressures though increased fees, productivity across its operations, intelligent procurement and the creation of alternate revenue generating services.

The Trustee Body

At the turn of the year Trustees undertook a review of the Trustee body make up in terms of skill mix and aware that several Trustees would be stepping down during the year, total Trustee numbers. An external recruitment consultancy was instructed to conduct a wide search and 3 new Trustees were subsequently appointed. Over the summer 3 Trustees with long service stepped down. Trustees will continue to review the makeup and numbers of the Trustee body as its mission and strategy develops over the coming years.

Trust Strategy

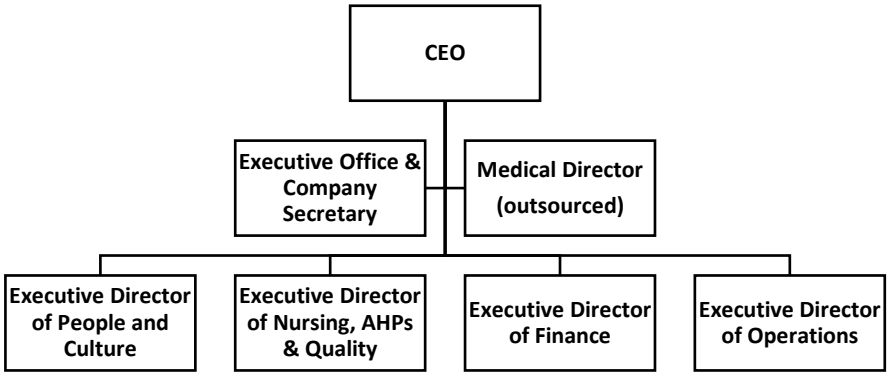
The of the Pandemic in Health and Social Care will be felt for some years to come. Trustees believe it is the appropriate time to consider the mission and strategy of the Trust for the coming years, without any preconceptions as to what this might be. This important work will be undertaken during 2023 and an external advisor has been appointed to support Trustees in this work.

The Executive Leadership

Tony Barrett, the Trust's long serving Chief Executive retired in December after a career spanning 30 years with the Charity. This long-planned event facilitated Trustees to commence the search for a successor in mid-2021. A successful appointment was subsequently made with the incoming appointee having sufficient time with the retiring Chief Executive to ensure an orderly handover.

Plans were enacted to ensure that the Executive Leadership Team reflected the needs and productivity targets of the Trust over the next 12 months

The Executive team was restructured to reflect needs of HMT. ,



The rationale for these changes includes:

- Unification of HMT across its operations, bringing together all sites and both care homes and hospitals;
- The majority of HMT's workforce are Nurses and AHPs. This is now reflected with an Executive representative;
- HMT only have 6 connected doctors and therefore the role of the Medical Director has been outsourced;
- It was possible to reallocate the responsibilities of the Head of Risk to other Executive roles within the new Executive team structure.

The Executive Leadership (continued)
The posts of Executive Director of People and Culture and Executive Director of Nursing, AHPs & Quality and currently being recruited into.

Senior Operational Leadership
Sancta Maria Hospital situated in Swansea experienced a leadership change in February 2022 with a new Hospital Director recruited who commenced employment in June 2022. In the interim period the Trust's Chief Executive acted as Hospital Director in Swansea.

The Care Home Manager at Coloma Court Care Home, West Wickham moved on to a new opportunity outside of the Trust and a successful appointment was made to the vacant post.

Our Staff
The Trustees recognise that the staff of the Trust are the single most important lever for delivery and change and we continue to review our salaries, terms and conditions and staff development to recruit and retain staff who identify with the mission of the Charity.

We explored ways in which the Trust could combat the national structural deficit in all areas of Health & Social Care Staff. Currently this shortage of staff is being most acutely felt within our care homes which has driven an increased dependence on agency staff significantly increasing staff costs.

The Charity has invested in supporting staff who wished to pursue Registered Nurse training via the traditional route and apprenticeships with the first individuals starting to return to their sponsoring hospitals and care homes having successfully completed their training.

Within our care homes the Trust has invested in training Senior Care Assistants to achieve the Medicine Technician Qualification which facilitates them functioning as Nurse Assistants. This project has resulted in increased productivity through more efficient rostering, better skill mix, reduced agency utilisation as well as career progression for the staff members involved.

We have also focused on seeking to recruit individuals within the UK who require sponsorship visas to engage in work. Within our existing allocation of visas this work has been successful with 10 individuals now working as Care Assistants. We intend to further pursue this opportunity

Supporting the NHS
Our Grimsby Hospital continued to support the NHS England Recovery Plan although patient flows from NHS Trusts were sluggish.

Patient direct referrals via the NHS England Electronic Referral System were more positive.

In Wales our Swansea Hospital is still performing below our pre pandemic expectations in particular with regards to activity through the hospitals MRI Scanner.

Regulatory
Following a Care Quality Commission inspection of Marie Louise House, Romsey it was up rated from "Requires Improvement" to "Good." This is testament to the home's leadership and the committed work of the whole staff team. The safety and quality of diagnosis, treatment, and care that the Trust provides to residents and patients across its care homes and hospitals is the

Regulatory (continued)
Trustees' priority and the Trust's ethos and philosophy reflect the core values which underpin the delivery of this care.

Coloma Court Care Home, West Wickham has maintained its "Outstanding" Care Quality Commission Rating.

St Hugh's Hospital, Grimsby presently has a "Requires Improvement" rating from the CQC and the Trust, its workforce and consultant partners continue to work to secure as a minimum a "Good" CQC rating. Importantly, within the current rating, "Care" is judged to be "Good" and feedback from patients with regards to care and clinical outcomes remains extremely positive, reflected inter alia in the numbers of patients choosing St Hugh's for their diagnosis, treatment, and care.

Sancta Maria Hospital in Swansea was subject to a visit from the Health Inspectorate of Wales with the outcome being successful.

Quality
Our treatment outcomes and patient and resident satisfaction ratings continued to be consistently above national comparators, indicating that patients are benefiting from, and value, the services they receive at the Trust's hospitals and care homes. These findings reflect the skills and commitment of all the Trust's workforce and its consultant partners. The Trustees thank them both individually and collectively.

Investing in Buildings and Services
In early 2021, the Charity entered into a development agreement with Brackley Developments for the construction of a 64-bed specialist dementia care centre located in Littlehampton, West Sussex. This facility will be lease operated by the Charity, construction commenced in November 2021 and is expected to come on stream Autumn 2023.

The Charity regularly monitors, and will bring forward when appropriate, opportunities to develop additional facilities on the sites of its existing hospitals and care homes.

Wider Charitable Impact
In addition to the direct impact of the diagnosis, treatment and care the Trust provides in its homes and hospitals, the Trustees have also considered how the impact the Trust makes within the wider field of health and social care might be extended.

Supporting other Health and Social Charities
The Trust supported the following charities during the year, who together operate 346 resident beds, by delivering health and social care operational management and consultancy services. The Trust delivered some of this support on a pro bono basis and, when a charge was made to the receiving Charity, this was set at a level which reflected a charitable subsidy supported from the Trust's operational surplus:

- The Jesuits in Britain – Care Homes in Boscombe and Preston.
- The Ursulines of Jesus – Stella Maris Care Home, Swansea.
- The Sisters of the Cross and Passion – Cross and Passion Care Home, Lytham St Anne's.

Wider Charitable Impact (continued)

Supporting other Health and Social Charities *(continued)*

- The Little Company of Mary, Westcliff on Sea
- The Religious of the Assumption – St Catherine's, London.
- The Sisters of Charity of Jesus and Mary – Stella Matutina, Lytham St Anne's

Research and Community Grant Funding

Whilst the Trust experienced a challenging year financially, the Trustees felt that it was important to continue to commit to the principle of the grant funding activities. How this may be pursued in future years will be explored during the Trustee Strategy Review.

The Charity continued its support of the Swansea Musical Memories Choir for dementia sufferers and their carers, making an annual grant of £9,000 to support the running costs of this 60-member choir. Whilst the Choir has been in abeyance as a result of the pandemic, they have recently reopened and meet 2 times per week.

We also continued our financial support to Friendship at Home with a £36,000 annual grant. This is a community interest organisation based in Grimsby which works to address the impact of isolation and loneliness in the elderly. Whilst face-to-face activities ceased during the pandemic, remote support via video and voice calls increased, as did support with shopping and other activities.

Our Stakeholders

Residents and Patients

Our residents and patients are at the centre of all we do as a Charity, and we focus on providing them with the best possible care, diagnostics and treatment. We actively seek out and value the feedback and opinions that they provide us which in turn drives us to improve the quality of our services.

How we engage with residents and patients:

- Resident and Patient Satisfaction Surveys.
- Resident and Family Forums.
- Patient Forums.
- Social Media and our websites.
- Regular Trustee and Executive visits to our care homes and hospitals.

Our People

Our people are our biggest asset in delivering care, diagnostics and treatments to improve the outcomes for the people and communities we serve. Seeking the views of our employees is key to making HMT a place that is inspiring, rewarding and a healthy place to work, and one that values and promotes inclusion and diversity, recognising skills and talent, developing individuals and teams.

Our Stakeholders (continued)

Our People *(continued)*
We engaged with our staff through:

- Elected Staff Consultative Forum.
- Annual Staff Survey.
- HR Clinics.
- HMTeam app.
- Annual CEO Brief and quarterly video broadcasts.
- Monthly staff briefs.
- Regular Trustee and Executive visits to our care homes and hospitals.

Health and Social Care Partners
Our care homes provide a home and care to self-funding and socially funded individuals, and we value all our residents equally. Our hospitals provide healthcare services to a wide range of providers including private medically insured, NHS and self-funding patients. The consultants who work with us deliver research-based care based on national standards delivering the best outcomes.

We value all our relationships, and we seek to work with them in a spirit of cooperation to achieve the best outcome for patients.

We engage with our health and social care partners through:

- Care Home Managers engaging directly with Health and Social Care stakeholders in each locality.
- Hospital Directors engaging directly with local NHS Trusts.
- Maintaining relationships with NHS key stakeholders at all levels.
- Holding regular meetings with private medical insurers.
- Participation in national quality schemes and the publication of quality reports.
- Regular meetings and communication with hospital medical staff.

Our care homes provide a home and care to self-funding and socially funded individuals and we value all our residents equally.

Our hospitals provide healthcare services to a wide range of providers including private medically insured, NHS and self-funding patients. The consultants who work with us deliver research-based care base on national standards delivering the best outcomes.

Our Stakeholders (continued)

The Communities we are located within *(continued)*
We actively engage with the communities that we are based within by offering employment opportunities, ensuring accessibility to all ethnicities, genders and disabilities. We work within these communities to promote healthy lifestyles, combat loneliness in the elderly and support the carers of individuals suffering from dementia.

We engage with local communities through:

- Funding community charities and other projects to reduce loneliness in the elderly, as well as supporting the carers of individuals suffering from dementia.
- Community dementia outreach programmes delivered at no cost to recipients.
- Apprenticeships offering paid learning opportunities.
- Supporting community events and local initiatives delivering.
- Working with local schools, voluntary bodies and service organisations to deliver health knowledge and improve healthy lifestyle outcomes.
- Working with schools on social interaction projects that interface with the national curriculum.

Suppliers
We seek to develop collaborative partnerships with our suppliers which are key in developing a strong and proactive supply chain, minimising the environmental impact of the care, diagnostics and treatments we deliver.

We work in partnership with third party research commissioners and universities on research projects that enable better understanding and new approaches to health and social care.

We engage with our suppliers through:

- Regular meetings with suppliers.
- Sharing of information.
- Supplier code of conduct.
- Periodic supplier reviews.

Government
Our purpose is to improve the health and social care outcomes of the people and communities we serve. Therefore, whilst we are not a campaigning charity, it is essential that we ensure that we are aware of and keep up to date with governmental priorities, policies and regulatory changes across health and social care. We engage with the government and local authorities at all levels.

Our Stakeholders (continued)

Government *(continued)*
We engage with government through:

- Industry bodies, particularly the National Care Forum and Independent Healthcare Providers Network.
- Participation in government consultations.
- Sharing research findings and best practice.

Section 172 statement
As a company limited by guarantee, the Charity is subject to the provisions of the Companies Act 2006. Accordingly, the Board of Trustees provides this statement describing how it has had regard to the matters set out in section 172(1) of the Companies Act 2006. The Board believes that it has acted in the way it considers would be most likely to promote success of the Company for the benefit of its members as a whole, having regard to section 172(a) to (f).

a. The likely consequences of any decision in the long term.
   Trustees ensure, having properly considered the information available to them that their decisions are in the best interests of the Charity and its beneficiaries, medium and long-term outcomes and the importance of maintaining its reputation as a health and social care provider. The decisions of Trustees are shaped by the wider strategy of the Charity and how they can best support the delivery of the Charity's long-term strategy.

b. The interest of the charity's employees.
   Our Trustees recognise the importance of the Charity's employees to the long-term success of the Charity and recognise that the development of individuals and teams is central to its success. The Charity has a programme to develop its leaders of the future as well as its workforce, achieved through apprenticeships and other education and skills acquisition programmes.

c. The need to consider the Charity's business relationship with suppliers, customers and others. The Charity places its residents and patients at the heart of everything it does, working to ensure the highest level of care, diagnostics and treatments. Trustees review all resident, patient and stakeholder feedback insights gained from annual surveys and other methodology. The Charity develops relationships with all stakeholders, including suppliers, regulators, the NHS, local authorities and government to understand how the Charity can work together with them.

d. The impact of the Charity's operations on the community and the environment.
   Trustees recognise the importance of climate change and the need to make changes to our ways of working to mitigate the Charity's operations on the environment. The Charity is therefore developing a strategy across all areas of our operations to reduce its environmental impact were feasible. The Charity is working to reduce its dependence on single use plastics, reduce waste and pursue an energy strategy that places sustainability at its heart.

Section 172 statement (continued)

e. The desirability of the Charity maintaining a reputation for high standards of business conduct. The reputation of the Charity is key to its success as a health and social care provider. Central to this is the promotion of the Charity's ethos both within the Charity and the community.

f. The need to act fairly as between members of the Charity.

When determining the Charity's long-term strategy, Trustees consider the impact on its beneficiaries, employees, stakeholders and partners. Our Trustees ensure that decisions are in the best interests of the Charity, taking into account the needs of these groups and the importance of maintaining its reputation.

Streamlined Energy and Carbon Reporting

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires The Healthcare Management Trust to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the 12-month period ending 31st December 2022.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, gaseous fuels such as natural gas and LPG, and business travel in company-owned vehicles and grey fleet. The table below details the SECR-regulated energy and GHG emission sources from the current and previous reporting periods.

		FY22	FY21	% change
Energy (kWh)				
	Natural gas	3,337,250	3,994,265	-16.4%
	Company vehicles	10,388	-	0.0%
	Electricity	2,056,311	2,204,194	-6.7%
	Business travel	78,351	47,124	66.3%
	Total energy	**5,482,300**	**6,245,583**	**-13.1%**
Emissions (tCO_2e)				
Scope 1	Natural gas	609.2	732	-16.7%
Scope 1	Company vehicles	2.8	-	0.0%
Scope 2	Electricity (LBM)	397.6	468	-15.0%
Scope 3	Business travel	19.3	16.2	19.1%
	Total SECR emissions	**1,029.0**	**1,215.8**	**-15.4%**
Emission intensity ratio				
	Full-time employee	465	480	-3.1%
Emissions intensity (tCO2e / Full-time employee)		**2.21**	**2.53**	**-12.6%**

HMT is committed to reducing its environmental impact and contribution to climate change through continuous improvement procedures. We have introduced numerous initiatives across our sites in order to reduce our energy use. These include:

- Lighting – installed sensors and timers to prevent lights being left on when they are not needed. In addition, we are looking to install LED lighting throughout St Hughes Hospital to reduce energy consumption and maintenance requirements.
- We have introduced Berko boilers for our staff canteens which result in a saving of around 5,110 kw per annum.

Streamlined Energy and Carbon Reporting (continued)

- Solar Panels – conducting assessments to consider the viability of installing solar panels at the St Hughes site.
- Recycling and Waste – continued to cut non-recyclable waste through multiple initiatives. This has resulted in significant reductions in hazardous waste (requiring incineration) and waste to landfill.
- Initiatives to reduce commuting impact – installed bicycle racks in the dry well-lit basement carpark to promote cycle to work scheme.
- Finally, we have implemented energy monitoring at Sancta Maria Hospital on 14 meters linked to our BMS to produce weekly energy reports to show consumption trends to gain a better insight into our energy usage to promote potential savings.

We also have additional measures currently under consideration such as green fleet initiatives, company staff campaigns and tree planting.

Methodology

Activity data have been converted into equivalent energy and GHG emissions using emissions factors published by the UK Government in 2022. Electricity and natural gas disclosures have been calculated using metered kWh consumption taken from supplier fiscal invoices. GHG emissions associated with Scope 2 purchased electricity have been reported using both location-based (LB) and market-based (MB) methodologies. LB emissions have been carried into the total emissions figure – corresponding MB emissions have been included for comparison only.

Estimates where no supplier invoices were available have been estimated using CIBSE industry benchmarks. Where supplier invoices were misaligned due to inaccurate estimated meter readings, consumption has been recalculated to cover the periods between real meter readings.

Transport disclosures have been calculated using a combination of fuel card transaction reports and business mileage expense claim records. Vehicle information such as engine size and type was not held against each mileage claim, therefore a vehicle of average size and fuel type was assumed.

Financial Review

Our 2022 financial results continued to be adversely impacted by the exceptional and ongoing circumstances presented by the Covid-19 pandemic. Towards the end of the year, we did see some improvements in our trading environments, in both acute care and social care.

The increase in income over the prior year, to £45.5m (from £39.0m), was predominately due to operating the new Sancta Maria Hospital for a full 12 months in 2022, compared to only 10 months in 2021 when the activity was being transferred from the old facility.

The overall deficit of £1.7m includes a number of exceptional items totalling £0.8m, including:

- the book loss on the sale of the old Sancta Maria site in Ffynone Road.
- The write-off costs in relation to the decision not to acquire the long-leasehold of Marie Louise House, these had previously been held on the Balance Sheet as prepayments.

Financial Review (continued)

- The write-off of legal and professional fees in relation to the Trustees decision to pause on the strategy of care home developments.

- Termination payments (as shown in note 8).

Our hospitals:

- Both our hospitals reported a financial trading surplus for the year.

- St Hugh's Hospital was able for the full year to undertake its traditional elective surgery agreements with the NHS, as well as providing services to private patients.

- The Sancta Maria Hospital operated for a full 12 months in 2022, compared to only 10 months in 2021 when the activity was being transferred for the old facility. As a result of this and of growing activity rates year on year income rose 38% to £20m.

- Tackling the on-going pandemic has also resulted in higher costs associated with infection control measures, including testing staff, patients and high usage of PPE.

Our care homes:

Both our care homes reported net financial deficits for the year due to the on-going impact of the Covid-19 pandemic.

- Whilst the occupancy rates recovered at both care homes during 2022, compared to the previous year, they were still below our break-even 90% occupancy rate. The overall occupancy rate across our homes in 2022 was 87.0%, an increase compared to 2021 of 5.5% but 5.0% below our pre-pandemic level.

- Overall, we saw a 20% increase in costs during the year, this was a result of:

    - The continued adverse impacts of the shortage of care staff, as is the situation across the overall market, resulting in a significant use of agency staff to cover vacancies (see note 8); and

    - Non-critical aspects of our maintenance programmes being delayed, which were caught up in 2022 resulting in an increase in year on year costs.

In recognition of the continued impact of the pandemic on our trading environments, HSBC agreed to amend the covenants for debt service and leverage on their principal loan to the Trust. We would like to thank HSBC for their continued support and understanding during this extraordinary and challenging period.

The Trustees continue to monitor closely the adequacy of the Trust's working capital and consider that its assets and available funds are adequate to fulfil its obligations

Financial Review (continued)

Reserves

The Trustees review the Trust's reserves position regularly to ensure that it has adequate funds to support its on-going work, taking into consideration the assets required to provide a high standard and quality of care for its service users, reasonable working capital and any unforeseen circumstances

Since 2019 the level of our general reserves has seen a significant reduction. The level of General Funds, prior to the pandemic, on 31 December 2019 stood at £4.5m, by the end of 2022 they had fallen to £0.4m, a decrease of £4.1m.

Along with the majority of charities, the Covid-19 pandemic resulted in a significant short-term financial impact.

Free reserves have fallen below our policy of maintaining £3,000,000 in free reserves. As at 31 December 2022, the General Funds (or free reserves) stood at £428,393 (2021: £1,056,795)

In the most recent review, the Trustees considered appropriate a reserves policy of holding £4,000,000 of free reserves. Whilst this is considered aspirational at the present time, the Trustees have pledged to building the general reserves to this level.

In addition, the Trust had at 31 December 2022 designated reserves of £275,121 as a building and equipment reserve for Coloma Court and Marie Louise House.

Investments

In order to comply with the requirements of the HSBC financial covenants, it was necessary to convert the investment portfolio into cash equivalents; this was completed in March 2022.

Risk management

The Board of Trustees is responsible for establishing a risk management structure, policy and strategy for the Trust. In addition, the Trustees review the high-level risks to the Trust at both strategic and operational levels.

Risks are identified and prioritised based on the likelihood of an event occurring and the impact of that event should it happen. All identified risks are recorded at either central or local level and these are reviewed on a continuous basis and formally at each Board Meeting. Controls and mitigation strategies are identified for each risk to reduce the impact or probability of the risk.

Key risks

The most significant risk facing the Trustees at present are the implications surrounding the longer-term impacts of the Covid-19 pandemic. This is covered by regular reviews of the current and predicted operating conditions between the Trustees and the Executive Team.

Other material strategic risks include:

- The continuing challenge of the economic climate and its impact on the Trust's patients and residents ability to self-fund treatment and care at its hospitals and care homes;
    - For the coming year there is a strong focus on delivery of the Budget and associate Commercial Strategy.

Financial Review (continued)

Key risks *(continued)*

- An efficiency programme has been enacted, engaging with all staff to embed a culture of commercial awareness throughout our Charity.

- Failure to follow an appropriate strategy;
  - Trustees and the Executive are currently reviewing the strategy developed pre-pandemic to ensure its appropriateness.
  - Out of necessity the current short-term strategy, 2023, is one of consolidation and restoring the financial performance to begin to re-build reserves.

- Retain and attract suitably qualified staff;
  - Our people are our most important asset and like many healthcare operators we are experiencing challenges in both retention and recruitment.
  - In order to ensure we are attractive in a highly competitive market; we are reviewing our pay and benefits framework to ensure we are offering a fair and competitive package.
  - We have and continue to review our wellbeing programme offered to staff to ensure they have access to mental health support, in what is a very challenging sector in which they work.

- A serious clinical incident, which could have a negative impact on the Trust's reputation and, potentially, its finances;
  - Clinical Governance and Quality management is a high priority. In the last year we have reinforced this by establishing a dedicated Clinical Governance Committee, which reports regularly to the main Board.
  - We have an internal system of risk monitoring that focuses on key factors that might indicate potential clinical or quality concerns which are then investigated.
  - Alongside this we have a programme of regular clinical and quality audits.

- Uncertainty generated by the pressures on the NHS and inflationary pressure on the English NHS Tariff;
  - The NHS tariff increases generally have been below the general inflation rate, thus we have seen our margin on NHS work eroded. This is an important aspect of our work and as such we are working closely with local commissioners and through Independent Healthcare Providers Network on a national level, to endeavour to address these challenges.

Structure, Governance and Management

Constitution and principal aims

The Healthcare Management Trust is a registered charity, Charity Registration No 292880, established in 1985. It Is also a registered company, Company Registration No 01932882 and its objects are detailed in the Memorandum of Association. The Trust is constituted as a company limited by guarantee. In the event of the charitable company being wound up during the period of membership or within the year following, company members, who are the Trustees, are each required to contribute an amount not exceeding £5.

Trustees

The Trustees of the Trust, who constitute directors of the company for the purposes of company law, are appointed by resolution of the Board. The following served as members of the Board during the year:

Trustee	Appointed	Resigned
J Folliott Vaughan	30/06/1999	01/09/2022
D Jones	12/12/2012	
C Fryar	25/05/2022	
Dr L Dinner	07/06/2021	24/05/2023
N Draper	16/09/2015	
L Geary	25/05/2022	
M Gerold	16/09/2015	
Dr L Roberts	20/04/2016	24/05/2023
J Sanders	25/05/2022	
N Stephens DL	10/12/2003	27/07/2022
Dr C Streather	11/07/2018	01/09/2022
G Von Malachowski	20/04/2016	

Company Secretary	Appointed	Resigned
N Roissetter	16/05/2015	15/12/2022
A Hayward	15/12/2022	

Mr D Jones was appointed as Chair from 1 September 2022, following the retirement of Mr J Folliott Vaughan.

All Trustees give their time voluntarily and receive no remuneration from the Trust in connection with their duties as Trustees, with the exception of the Chairs who received a total of £30,900 in respect of their services in 2022. The financial information regarding Trustees is shown in note 8 to the financial statements.

The Trustees regularly assess the skills mix within the Board; when it is considered that additional skills are required, a new appointment is made following detailed discussion. All Trustees are provided with a "Trustee Manual": This is updated regularly and contains information about the governance and operations of the Trust. Trustees visit the Trust's hospitals and homes on a regular basis.

The Trustees were supported during the year by Philip Jukes, who advised the Board and visited the hospitals and homes regularly.

Structure, Governance and Management (continued)

Principal advisers
The names and addresses of the principal advisers to the Trust are listed on pages 1 and 2.

Governance and key management personnel
The Trust achieves its aims through the provision of advice and management expertise to existing hospitals and care homes and, where appropriate, by the acquisition and operation of hospitals and care homes.

The Trustees, who are responsible for the overall control of the Trust, meet regularly and receive detailed monthly management, clinical and other reports to retain effective control over the Trust and to supervise the Executive Management.

Senior staff manage the activities of the Trust. The following senior staff comprise the Executive Management and were in place at the date when the Annual Report and Financial Statements were approved or served during the financial year:

Mr Tony Barrett – Chief Executive (retired 31/12/22)
Dr Nichola Stefanou – Chief Executive
Mr Nigel Roissetter – Executive Director of Finance
Ms Mair Williams – Executive Director of Operations
Mrs Andrea Hayward - Executive Office and Company Secretary

During the financial year, the Board was supported by:

Finance Committee:
Chaired by: Mr N Stephens DL to 4 July 2022 ; Mr D Jones from 4 July 2022
Trustee/Director Membership: Mr M Gerold, Mr D Jones, Mr G von Malachowski, Mrs J Sanders and Mrs L Geary;

Clinical Governance Committee:
Chaired by Dr L Dinner
Trustee/Director Membership: Dr L Roberts, Dr C Streather, Mr G von Malachowski and Caroline Fryer

Research and Grants Committee:
Chaired by Mr N Draper
Trustee/Director Membership: Dr L Roberts, Dr C Streather and Mr G von Malachowski;

Remuneration Committee:
Chaired by: Mr J Folliott Vaughan to 1 September 2022; Mr D Jones from 1 September 2022
Trustee/Director Membership: All Trustees and Directors.

Senior staff at the hospitals and care homes report to the Executive Management.

Control is exercised by a comprehensive system of financial planning, approvals, monitoring and reporting, backed up by accounting records, which together provide the necessary level of financial control.

Structure, Governance and Management (continued)

Key management personnel

The Trustees consider that they, together with the Executive Management Team, the Hospital Directors and the Senior Managers at the Care Homes, comprise the key management of the Trust in charge of directing and controlling, running and operating the Trust on a day-to-day basis.

The remuneration of key management personnel is set and approved by the Trustees. Remuneration is set in the context of market rates and industry benchmarks and is reviewed annually.

Equal opportunities

The Trust strives to be an Equal Opportunities Employer and applies objective criteria to assess merit. It aims to ensure that all job applicants and employees receive equal treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation and disability.

Selection criteria and procedures are reviewed regularly to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. The Trust is also committed to providing a safe working environment for all staff.

The Trust has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting its performance. This is achieved through regular consultations with employees, including induction programmes, meetings and newsletters.

Volunteers

Pastoral care is provided on an ad hoc basis, where possible, by religious Sisters and priests at the hospitals and homes, generally on a voluntary basis. Assistance is provided at some homes by "friends" organisations. There is no other dependence on voluntary help within the Trust.

Fundraising statement

HMT does not fundraise.

Statement of Trustees' responsibilities

The Trustees (who are also directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' Report and 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 Trust and of the income and expenditure of the Trust for that period.

Structure, Governance and Management (continued)

Statement of Trustees' responsibilities *(continued)*
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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom 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 Trust will continue in operation.

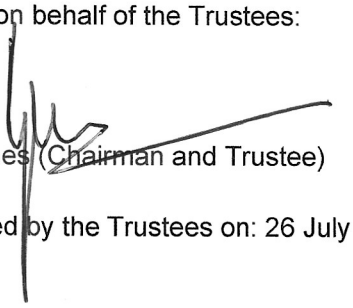
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets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

Each of the Trustees confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the Trust's auditor is unaware; and
- The Trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Signed on behalf of the Trustees:



D G Jones (Chairman and Trustee)

Approved by the Trustees on: 26 July 2023

Independent auditor's report to the members of The Healthcare Management Trust

Opinion

We have audited the financial statements of The Healthcare Management Trust (the 'charitable company') for the year ended 31 December 2022, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 December 2022 and of 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 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 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 and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report including 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;

- the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Companies Act 2006, data protection legislation, the Care Standards Act, Healthcare Commission regulations, Safeguarding regulations and Medical Health & Safety regulations; and

Auditor's responsibilities for the audit of the financial statements (continued)

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- tested the authorisation of expenditure as part of our substantive testing thereon;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of trustee meetings;
- enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- reviewing any available correspondence with the CQC, HIW, HMRC and the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Auditor's responsibilities for the audit of the financial statements (continued)
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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

Buzzacott LLP

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

01 August 2023

Statement of financial activities Year to 31 December 2022

	Notes	**Total funds 2022 £**	Total funds 2021 £
INCOME AND EXPENDITURE ACCOUNT			
INCOME FROM:			
Donations and legacies		**730**	—
Investment income and interest receivable	1	**7,009**	77,530
Charitable activities			
. Healthcare establishment fees and related charges	2	**45,553,965**	38,887,283
Total income		**45,561,704**	38,964,813
EXPENDITURE ON:			
Raising funds			
Investment manager's fees		**4,179**	18,093
Financing costs	3	**473,452**	347,248
		477,631	365,341
Charitable activities			
Promotion and development of healthcare			
. Healthcare establishment expenses	4	**46,747,143**	40,156,773
. Charitable grants	5	**47,045**	43,161
		46,794,188	40,199,934
Total expenditure		**47,271,819**	40,565,275
Net expenditure before losses on investments		**(1,710,115)**	(1,600,462)
Net (losses) gains on listed investments	11	**(41,040)**	222,737
Net expenditure for the year and net movement in funds		**(1,751,155)**	(1,377,725)
Reconciliation of funds:			
Balances brought forward at 1 January 2022		**20,745,218**	22,122,943
Balances carried forward at 31 December 2022		**18,994,063**	20,745,218

All activities derived from continuing operations in each of the above two years with all income and expenditure being unrestricted.

Balance sheet 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible fixed assets	10	**30,724,348**	32,942,525
		30,724,348	32,942,525
Current assets			
Stocks	12	**562,042**	568,383
Debtors	13	**2,500,374**	3,305,755
Investments	11	**—**	1,576,330
Cash at bank and in hand		**3,605,296**	4,288,687
		6,667,712	9,739,155
Creditors: amounts falling due within one year:			
. Sancta Maria construction creditors	14	**(586,800)**	(577,863)
. Other	14	**(6,442,739)**	(8,925,936)
Net current (liabilities) assets		**(361,827)**	235,356
Total assets less current liabilities		**30,362,521**	33,177,881
Creditors: amounts falling due after one year	15	**(11,368,458)**	(12,432,663)
Total net assets		**18,994,063**	20,745,218
The funds of the Trust			
General funds		**428,393**	1,056,795
Tangible fixed assets fund	16	**18,290,549**	19,413,302
Designated funds	17	**275,121**	275,121
		18,994,063	20,745,218

Approved by the Trustees and signed on their behalf by:

D G Jones (Chairman and Trustee)

Approved on: 26 July 2023

The Healthcare Management Trust: A company limited by guarantee, Company Registration No. 01932882 (England and Wales)

Statement of cash flows Year to 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	**(596,444)**	1,915,988
Cash flows from investing activities:			
Investment income and interest received		**7,009**	77,530
Purchase of tangible fixed assets		**(891,591)**	(2,516,123)
Proceeds from disposal of fixed assets		**800,000**	—
Proceeds from the disposal of investments		**1,535,290**	2,283,581
Purchase of investments		**—**	(937,335)
Net cash provided by (used in) investing activities		**1,450,708**	(1,092,347)
Cash flows from financing activities:			
Interest paid		**(473,452)**	(347,248)
New borrowings		**—**	2,200,000
Repayments of borrowing		**(575,000)**	—
Repayments of finance leases		**(489,204)**	(60,911)
Net cash (used in) provided by financing activities		**(1,537,656)**	1,791,841
Change in cash and cash equivalents in the year		**(683,391)**	2,615,482
Cash and cash equivalents at 1 January 2022	B	**4,288,687**	1,673,205
Cash and cash equivalents at 31 December 2022	B	**3,605,296**	4,288,687

Notes to the statement of cash flows for the year to 31 December 2022.

A Reconciliation of net movement in funds to net cash (used in) provided by operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	**(1,751,155)**	(1,377,725)
Adjustments for:		
Depreciation charge	**2,108,642**	1,917,052
Losses (gains) on investments	**41,040**	(222,737)
Investment income and interest receivable	**(7,009)**	(77,530)
Interest payable	**473,452**	347,248
Loss on disposal of tangible fixed assets	**201,124**	—
Decrease (increase) in stocks	**6,341**	(54,441)
Decrease in debtors	**805,381**	287,124
(Decrease) increase in creditors	**(2,474,260)**	1,096,997
Net cash (used in) provided by operating activities	**(596,444)**	1,915,988

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	**3,605,296**	3,107,709
Cash held by investment managers	**—**	1,180,978
Total cash and cash equivalents	**3,605,296**	4,288,687

C Analysis of changes in net debt

	At 1 January 2022 £'000	Cash flows £'000	Other non-cash changes £'000	**At 31 December 2022 £'000**
Cash	4,288,687	(683,391)	—	**3,605,296**
Finance lease obligations	(1,507,662)	489,204	—	**(1,018,458)**
Loans	(11,500,000)	575,000	—	**(10,925,000)**
Total	(8,718,975)	380,813	—	**(8,338,162)**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation
These accounts have been prepared for the year to 31 December 2022. Comparative information is provided in respect to the year to 31 December 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Trust constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement
The preparation of the accounts in compliance with SORP FRS 102 requires the use of certain critical accounting estimates. It requires also that management and Trustees exercise judgement in applying the Trust's accounting policies.

In preparing these accounts, the Trustees have made significant estimates and judgements in the following areas:

- Estimating the expected useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- Estimating any provision for bad or doubtful debts;
- Estimating and recognising accrued expenditure;
- Classification of leases as finance or operating; and
- Estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern
The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

The Trustees have taken into consideration the current economic uncertainties in their projections, they have reviewed possible areas of short-term and medium-term mitigation within their control and believe that these offer sufficient comfort to be of the opinion that the Trust's financial position is such that it is expected to be able to withstand the challenges presented.

Assessment of going concern (continued)
The Trust also has a commercial mortgage that is subject to financial covenants. The Trustees believe that these financial covenants will be met. The Trustees have assessed the financial risks associated with meeting the financial covenants and are satisfied that they have viable mitigating actions that could be initiated if required in order to achieve compliance with the covenants.

The Trustees have therefore concluded that are no material uncertainties that may cast significant doubt on the ability of the Trust to continue as a going concern, and therefore, they are of the opinion that the Trust will have sufficient resources to meet its liabilities as they fall due.

Scope
The accounts of the two owned hospitals and the two leased care homes are included in these accounts on a line-by-line basis.

Income recognition
Income is recognised in the period in which the Trust has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises healthcare establishment fees and related charges, donations and investment income and interest receivable.

Income from healthcare fees and related charges is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured. It is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Consultant's fees, included within healthcare fees and related charges, are treated as income and expenditure for the Trust, except where the consultants bill the patients directly.

Donations are recognised when the Trust has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Investment income is recognised once the dividend or similar payment has been declared and notification has been received of the amount due.

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

Coronavirus Job Retention Scheme grants are credited to the statement of financial activities when the Trust has entitlement to the income and when the amount receivable has been quantified.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the Trust. This includes investment management fees and the costs associated with servicing loan finance.

- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Trust through the provision of its charitable activities. Such costs include the provision of healthcare in acute hospitals and care homes and the making of charitable grants and donations. Expenditure on charitable activities includes both direct costs and indirect support costs.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

The provision of a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payments, settlement is probable and the effect of the discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant is made. This discount rate is regarded by the Trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Trust.

All expenditure is stated inclusive of irrecoverable VAT.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Trust it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Trust (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned to healthcare establishment expenses only.

Tangible fixed assets
Individual assets costing £1,000 or more, with an expected useful life exceeding one year, are capitalised at cost.

Certain freehold property is included in the accounts at a valuation determined during 1990 on the basis of existing use at that date. In accordance with the transitional provisions of Financial Reporting Standard 102, this valuation has not been updated and with effect from 1 January 2014 is deemed to be cost. All other freehold property and tangible fixed assets are included in the accounts at cost.

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

- Freehold buildings 2.5%
- Leasehold buildings 2%
- Fixtures and fittings 10-20%
- Plant and machinery 15%
- Motor vehicles 33⅓%
- Other equipment 15-33%

Assets under construction are not depreciated. Once the asset has been completed, the cost thereof is reclassified under the appropriate asset category and depreciated in accordance with the rates set out above.

Plant and machinery includes hospital facilities such as operating theatres and related equipment.

Fixed asset investments
Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Trust does not acquire put options, derivatives or other complex financial instruments.

As noted above, one of the main forms of financial risk faced by the Trust is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Stocks
Stocks of medical and sundry supplies comprising drugs, dressings and medical consumables are stated at the lower of cost and net realisable value. Provision is made against any slow moving or obsolete stock.

Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Trust anticipates it will pay to settle the debt.

Fund structure
General funds represent income or generated for expenditure on the general objectives of the Trust.

The tangible fixed assets fund represents the net book value of the Trust's tangible fixed assets, less any financing liabilities.

Designated funds represent monies or assets set aside by the Trustees, out of general funds, for specific purposes.

Restricted funds represent monies to be applied for specific purposes in accordance with donors' wishes.

Leased assets
Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities on a straight-line basis over the lease term.

Assets held under finance leases are capitalised and disclosed under tangible fixed assets at their net book value. The capital element of the future payments is treated as a liability and the interest is charged to the Statement of Financial Activities on a straight-line basis.

Pension costs
Contributions in respect of both the Trust's defined contribution scheme and stakeholder pension scheme are charged to the statement of financial activities in the period in which they become payable to the scheme.

In August 2014, all eligible members of staff (not already contributing to an eligible scheme) were required to be auto-enrolled in a workplace pension scheme. Employer contributions to

the scheme are charged to the statement of financial activities in the year in which they are payable.

Termination benefits

Termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the reporting date. If the expected settlement date of the termination payments is 12 months or more after making the provision and the effect would be material, the present value of the obligation must be calculated using an appropriate discount rate.

1 Investment income and interest receivable

	Unrestricted funds	
	2022	2021
	£	£
Income from listed investments	**5,957**	77,530
Interest receivable	**1,052**	—
	7,009	77,530

2 Healthcare establishment fees and related charges

	Unrestricted funds	
	2022	2021
	£	£
Management and consultancy fees	**60,014**	59,953
Hospital fees and related charges	**37,873,903**	32,008,168
Nursing and residential home fees and related charges	**7,620,048**	6,819,162
	45,553,965	38,887,283

Management and consultancy fees represent monies receivable by the Trust under agreements for the management of care homes owned by independent third parties and from consultancy studies carried out for independent hospitals and care homes.

3 Financing costs

	Unrestricted funds	
	2022	2021
	£	£
Interest payable on bank loans and finance leases	**473,452**	347,248

4 Healthcare establishment expenses

	Unrestricted funds	
	2022	2021
	£	£
Staff costs (note 8)	**18,625,944**	16,336,259
Premises and equipment	**6,208,334**	5,723,093
Medical and welfare	**17,740,495**	15,483,818
Governance costs (note 6)	**91,360**	64,695
Other expenses	**4,081,011**	2,548,908
	46,747,143	40,156,773

5 Charitable grants

	2022	2021
	£	£
Charitable donations and share of surplus (note 19)	**47,045**	43,161

6 Governance costs

	Unrestricted funds	
	2022	2021
	£	£
Internal audit	**12,808**	15,116
External audit, committee and other costs	**78,552**	49,579
	91,360	64,695

7 Net expenditure before (losses) gains on investments

This is stated after charging:

	Unrestricted funds	
	2022	2021
	£	£
Staff costs (note 8)	**18,625,944**	16,336,259
External auditor's remuneration		
. Audit services – current year	**41,375**	36,000
. Audit services – prior year	**—**	4,800
Depreciation	**2,108,642**	1,917,052
Operating lease rentals	**489,503**	492,202
Hire of plant and machinery		
. Rental of non-medical equipment	**90,878**	79,483
. Rental of medical equipment	**1,022,599**	1,403,898

8 Staff costs and Trustees' remuneration

	2022	2021
	£	£
Staff costs during the year were as follows:		
Wages and salaries	**14,892,405**	13,783,939
Social security costs	**1,445,569**	1,191,995
Other pension costs	**510,903**	448,361
Apprenticeship levy	**58,794**	53,771
Payments to employed staff	**16,907,670**	15,478,066
Payments to agency staff	**1,718,274**	858,193
	18,625,944	16,336,259

Included in the above are termination payments amounting to £284,020 (2021: £nil) of which £0 remain payable at the balance sheet date.

Payments to agency staff during the year reflect the national shortage of nursing staff seeking permanent employment. The average number of employees, including agency staff, was:

	Full time equivalents		**Headcount**	
	2022	2021	**2022**	2021
Healthcare services	**465**	447	**594**	549

8 Staff costs and Trustees' remuneration (continued)

The number of employees who earned £60,000 per annum or more (including taxable benefits, but excluding employer's pension contributions) during the year was as follows:

	2022	2021
£60,001 - £70,000	**6**	4
£70,001 - £80,000	**3**	3
£80,001 - £90,000	**2**	2
£90,001 - £100,000	**1***	—
£100,001 - £110,000	**1**	4
£110,001 - £120,000	**1**	—
£120,001 - £130,000	—	1
£130,001 - £140,000	**1**	—
£150,001 - £160,000	—	1
£160,001 - £170,000	**2***	—
£190,001 - £200,000	**1***	1
£280,001 - £290,000	**1***	—

Please note that lines denoted by * include an element of settlement figure in the total salary disclosed. Termination payments totalled £414,524 made to 4 members of staff during 2022.

Employer contributions are made to money purchase schemes in respect to 19 (2021: 16) of those employees who earned £60,000 or more during the year. Total employer contributions to money purchase schemes in respect of such employees during the year amounted to £143,463 (2021: £126,403).

No trustee received any remuneration in respect of their services as Trustees during the year (2021: none). During the year, with the approval of the Charity Commission, J R Q Folliott Vaughan received £20,600 in respect to management services provided to the Trust (2021: £30,000) and Dylan Jones received £10,300 (2021: £nil) for the same services.

Expenses in connection with travel and subsistence were reimbursed to 5 Trustees (2021: 1 Trustee) during the year and amounted to £3,832 (2021: £193).

The Trust has purchased insurance to protect itself from any loss arising from the neglect or defaults of its Trustees, employees and agents and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the Trust during the year totalled £28,000 (2021: £10,547) and provides cover of up to a maximum of £5 million (2021: £5 million).

The key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis comprise the Trustees, the Executive Management, the Director at each of the of the Hospitals and the Senior Manager at each of the care homes. The total remuneration (including taxable benefits, termination payments and employer's pension contributions) of the key management personnel for the year was £1,746,301 (2021: £1,295,958). The 2022 termination payments totalled £414,524.

9 Taxation

The Healthcare Management Trust is a registered Trust and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

10 Tangible fixed assets

	Freehold property £	Leasehold property £	Fixtures and fittings £	Plant and equipment £	**Total £**
Cost or valuation					
At 1 January 2022	5,731,647	22,008,653	4,419,321	15,035,854	**47,195,475**
Additions	114,903	117,670	238,827	420,191	**891,591**
Disposals	(1,805,397)	—	(333,215)	—	**(2,138,612)**
At 31 December 2022	**4,041,153**	**22,126,323**	**4,324,933**	**15,456,045**	**45,948,454**
Cost	2,791,153	22,126,323	4,324,933	15,456,045	**44,698,454**
Deemed cost: Valuation – 1990	1,250,000				**1,250,000**
	4,041,153	**22,126,323**	**4,324,933**	**15,456,045**	**45,948,454**
Depreciation					
At 1 January 2022	1,943,744	365,564	2,144,385	9,799,257	**14,252,950**
Provided in the year	262,089	220,086	432.319	1,194,148	**2,108,642**
On disposals	(1,064,640)	—	(72,846)	—	**(1,137,486)**
At 31 December 2022	**1,141,193**	**585,650**	**2,503,858**	**10,993,405**	**15,224,106**
Net book values					
At 31 December 2022	**2,899,960**	**21,540,673**	**1,821,075**	**4,462,640**	**30,724,348**
At 31 December 2021	3,787,903	21,643,089	2,274,936	5,236,597	**32,942,525**

The construction of the new Sancta Maria hospital has been financed in part by a loan from HSBC Bank plc. This arrangement is secured by way of legal charges over the new Sancta Maria Hospital at Langdon Road, Swansea, the old Sancta Maria Hospital site in Ffynone Road, Swansea SA1 6DF and St Hugh's Hospital, Peaks Lane, Grimsby, DN32 9RP, as well as fixed and floating charges over all property of the Trust.

Certain freehold property included above was revalued in 1990 at an existing use valuation of £1,250,000. Had it not been revalued, it would have been included on the historical cost basis at the following amounts:

	£
Cost	**1,023,209**
Accumulated depreciation	**(733,362)**
Net book amount at 31 December 2022	**289,847**
Net book value at 31 December 2021	**315,327**

As permitted under the transitional arrangements within Financial Reporting Standard 102, the Trust has continued to adopt a policy of not revaluing tangible fixed assets. It is likely that there are material differences between the open market values of the Trust's land and freehold properties and their book values. These arise from the specialised nature of some of the properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the Trustees, is not justified in terms of the benefits to the users of the accounts.

11 Investments

	2022 £	2021 £
Listed investments		
Market value at 1 January 2022	**1,576,330**	2,699,839
Additions at cost	—	937,335
Disposals at carrying value (proceeds: £1,535,290, losses: £41,040)	**(1,576,330)**	(2,194,062)
Net unrealised investment gains	—	133,218
Market value at 31 December 2022	—	1,576,330
Cost of listed investments at 31 December 2022	—	1,392,908

Note: in order to comply with the requirements of the HSBC financial covenants, it has been necessary to implement a strategy of converting the investment portfolio into cash equivalents which was completed in March 2022. This conversion was reflected on the Balance Sheet with the investment portfolio moving from Fixed Assets to Current Assets at 31 December 2022.

All listed investments were dealt in on a recognised stock exchange. Listed investments held at 31 December 2022 comprised the following:

	2022 £	2021 £
UK Managed funds	—	595,116
Overseas Equities	—	948,357
Commodities	—	32,857
	—	1,576,330

12 Stocks

	2022 £	2021 £
Drugs, dressings and consumables	**562,042**	568,383

13 Debtors

	2022 £	2021 £
Fees and related charges	**1,467,457**	1,630,843
Other debtors	**6,558**	75,144
Prepayments and accrued income	**1,026,359**	1,599,768
	2,500,375	3,305,755

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Sancta Maria construction creditors	**586,800**	577,863
Other		
Expense creditors	**2,718,009**	2,273,421
Social security and other taxes	**373,310**	348,629
Other creditors	**30,285**	27,289
Accruals and deferred income	**2,255,794**	5,180,037
Finance lease repayable within one year	**490,341**	521,560
Bank loan repayable within one year	**575,000**	575,000
	6,442,739	8,925,936

15 Creditors: amounts falling due after one year

	2022 £	2021 £
Finance lease repayable (see below)	**1,018,458**	1,507,663
Bank loan (see below)	**10,350,000**	10,925,000
	11,368,458	12,432,663

Finance lease

	2022 £	2021 £
Amounts due:		
Within one year (note 14)	**490,341**	521,560
Between one and two years	**483,165**	975,878
Between two and five years	**535,293**	531,785
	1,018,458	1,507,663
	1,508,799	2,029,223

Bank loan

	2022 £	2021 £
Amounts due:		
Within one year (note 14)	**575,000**	575,000
Between one and two years	**575,000**	575,000
Between two and five years	**1,725,000**	1,725,000
Between five and seven years	**8,050,000**	8,625,000
	10,350,000	10,925,000
	10,925,000	11,500,000

On 18 April 2019, the Trust signed a development and commercial mortgage facilities agreement with HSBC Bank plc. This enabled the Trust to draw down up to £11,500,000 in order to finance the construction project at Sancta Maria Hospital. This was fully drawn down as at 31 December 2021. Under the terms of the agreement, the mortgage will be repaid in consecutive instalments based on a twenty year amortisation profile with the first instalment being paid on 31 March 2022 and the loan is repayable in full in February 2029.

The final loan payment will be made six months after the eighth anniversary of the final drawdown i.e. in January 2029. Interest is payable at a rate of 2.5% over SONIA. In order to limit interest rate risk, HMT have entered into a Swap with a cap of 2.0% above margin.

16 Tangible fixed assets fund

	Total 2022 £	Total 2021 £
At 1 January 2022	**32,942,525**	21,133,374
Net movement in the year	**(2,218,177)**	11,809,151
	30,724,348	32,942,525
Less: Bank loan and finance leases to finance the construction and acquisition of tangible fixed assets	**(12,433,799)**	(13,529,223)
At 31 December 2022	**18,290,549**	19,413,302

The tangible fixed assets fund represents the net book value of the Trust's tangible fixed assets less the value of bank loans (note 15) obtained to finance the construction and acquisition of tangible fixed assets including those acquire through finance leases (note 15).

17 Designated funds

The unrestricted funds of the Trust include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific reasons or purposes:

	At 1 January 2022 £	**New designations £**	**Released or utilised £**	**At 31 December 2022 £**
Marie Louise House building and equipment reserve	**3,144**	—	—	**3,144**
Coloma Court building reserve	**271,977**	—	—	**271,977**
	275,121	—	—	**275,121**

	At 1 January 2021 £	*New designations £*	*Released or utilised £*	*At 31 December 2021 £*
Marie Louise House building and equipment reserve	*3,144*	—	—	*3,144*
Coloma Court building reserve	*140,000*	*131,977*	—	*271,977*
	143,144	*131,977*	—	*275,121*

The Marie Louise House building and equipment reserve represents money set aside to finance the future purchase of equipment, and the repair and maintenance of the buildings occupied by the Trust, at Marie Louise House, Romsey.

The Coloma Court building reserve represents moneys set aside to finance the repair and maintenance of the buildings occupied by the Trust at Coloma Court Care Home, West Wickham.

18 Analysis of net assets between funds

	General funds £	Tangible fixed assets fund £	Designated funds £	Total 2022 £
Tangible fixed assets	—	**30,724,348**	—	**30,724,348**
Net current assets	**428,393**	**(1,065,341)**	**275,121**	**(361,827)**
Creditors: Amounts falling due after one year	—	**(11,368,458)**	—	**(11,368,458)**
	428,393	**18,290,549**	**275,121**	**18,994,063**

	General funds £	*Tangible fixed assets fund £*	*Designated funds £*	*Total 2021 £*
Tangible fixed assets	*—*	*32,942,525*	*—*	*32,942,525*
Net current assets	*1,056,795*	*(1,096,560)*	*275,121*	*235,356*
Creditors: Amounts falling due after one year	*—*	*(12,432,663)*	*—*	*(12,432,663)*
	1,056,795	*19,413,302*	*275,121*	*20,745,218*

The total unrealised gains as at 31 December 2022 constitute a revaluation reserve as defined by the Companies Act 2006. Movements in unrealised gains during the year were as follows:

	2022 £	2021 £
Unrealised gains included above:		
On listed investments	—	133,218
On freehold property	**64,200**	69,869
Total unrealised gains at 31 December 2022	**64,200**	203,087
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2022	**203,087**	502,033
Difference between historical cost realised gains/losses on listed investments and the actual realised gains/losses thereon calculated on the revalued amounts	**(144,557)**	(437,834)
Unrealised gains (losses) on listed investments arising in the year	—	133,218
Difference between the depreciation charge based on historic cost and that based on the revalued amounts	**5,670**	5,670
Total unrealised gains at 31 December 2022	**64,200**	203,087

19 Share of surplus and donations to charities

The lease agreement for Coloma Court Care Home stipulates that the Daughters of Mary and Joseph will receive a share of the surplus in respect of the nursing home operations equal to 50% of the net surplus. The 2022 share amounted to £nil (2021: £nil) due to a deficit arising in the year.

The lease agreement for Marie Louise House stipulates that the Daughters of Wisdom will receive a share of the surplus in respect of the nursing home operations equal to 50% of the net surplus but will contribute 50% of any net deficit. The 2022 surplus amounted to £nil (2021: £nil).

19 Share of surplus and donations to charities (continued)

Further donations amounting to £47,045 (2021: £43,161) were made to various other charitable organisations and beneficiaries.

20 Pensions

The Trust operates a defined contribution scheme for the benefit of the employees and contributes both to personal pension plans, stakeholder pension plans of individual employees and the NEST auto-enrolment scheme. During the year total contributions made by the Trust were £523,631 (2021: £492,829) of which £348,444 (2021: £321,312) were to the NEST auto-enrolment scheme and £175,187 (2021: £171,517) were to the defined contribution scheme.

21 Leasing commitments

Operating lease payments amounting to £577,340 (2021: £489,503) are due within one year. The leases to which these amounts relate expire as follows:

	Land and buildings		Other	
	2022	2021	**2022**	2021
	£	£	**£**	£
Operating leases which expire:				
. Within one year	**505,245**	415,756	**72,095**	73,747
. Within two to five years	**1,087,608**	1,285,940	**118,365**	230,423
	1,592,853	1,701,696	**190,460**	304,170

22 Capital commitments

At 31 December 2022 the Trust had no capital commitments (2021: none).

23 Post balance sheet events

Practical completion of the new Nordern House care home in Littlehampton is due in November 2023 with the anticipated opening of home being in early 2024.

24 Related party transactions

Details of transactions between the Trust and its Trustees in respect to the reimbursement of expenses and the remuneration of the Chairman are given in note 8 to these financial statements.

There were no further related party transactions during the year (2021: none).

THE HEALTHCARE MANAGEMENT TRUST

England & Wales - Charity number 292880

Accounts

The Healthcare Management Trust

Annual Report and Accounts

31 December 2021

Company Limited by Guarantee
Registration Number
01932882 (England and Wales)

Charity Registration Number
292880

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Reference and administrative information

Trustees	J R Q Folliott Vaughan (Chairman) D G Jones (Vice Chairman) Dr L Dinner N Draper Dr Caroline Fryar Lisa Geary M Gerold Dr Lynne Roberts Janis Sanders N E E Stephens DL Dr C Streather G von Malachowski
Company Secretary	N Roissetter
Adviser to the Board	P Jukes
Executive management team	
Chief Executive	Tony Barrett
Chief Financial Officer	Nigel Roissetter
Chief Operations Officer – Care Homes	Mair Williams
Chief Medical Officer	Dr Lorcan Sheppard
Chief People Officer	Antoinette Edwards
Registered and principal office	14 Queen Anne's Gate London SW1H 9AA
Telephone	020 7222 1177
Website	www.hmt-uk.org
E-mail	admin@hmt-uk.org
Company registration number	01932882 (England and Wales)
Charity registration number	292880
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC UK Bank Plc 1 Centenary Square Birmingham B1 1HQ
Solicitors	BDB Pitmans LLP 50 Broadway London SW1H 0BL

Reference and administrative information

Investment managers	Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ

Chairman's report Year to 31 December 2021

Chairmen commonly focus on the achievements and challenges of the past year when drafting their letters to accompany annual reports and accounts, and I would like to start in the same manner, before focusing more on the Charity's future.

Though our results show a marked improvement over the previous year, 2021 was another year made difficult by Covid. I am very conscious of the pressures that several waves of the pandemic, and the measures taken to deal with it, have imposed on our staff, on our operations and on the markets within which we operate.

Income increased sharply, in large part reflecting a higher level of activity in the hospitals, but so did expenditure, resulting in a trading deficit. We are operating in a changed environment, applying the lessons learned in the pandemic, in our procedures, how we make best use of our assets and our relationships with staff, patients, residents and other stakeholders. I am glad that, through this difficult period, we remain conscious of our charitable ethos and origins and can still report that we are making a wider charitable contribution to the communities within which we operate, albeit at a lower level than we would wish, or hope to make in the future.

The Charity has made further progress in implementing its business plan, and this is outlined in more detail in the Trustees' Report.

Our new hospital at Sancta Maria Hospital is fully operational, and building up activity levels and market presence to reflect the new unit's capabilities – it is a significant addition to the private healthcare resources and service in south Wales and I look forward to its soon achieving its full potential under a new hospital director.

St Hugh's Hospital has continued to operate at or near full capacity, at considerable pressure on the hospital team, mainly providing services to NHS patients and thereby helping alleviate local waiting lists, as well as a significant percentage of private patients. I would like particularly to mark the relationships built by hospital director Ashley Brown with local commissioning groups and other NHS bodies, to a level that may be unique for private hospitals in England – and his team's achievement in being named finalists in the LangBuisson Awards 2021.

Our care homes have had a particularly difficult time with Covid-19, and its impact on resident numbers, now slowly recovering. Coloma Court's CQC Outstanding rating, and Marie Louise House's CQC rating improvement to Good, each reflect the sustained hard work and values of the care home staff and management.

The new Sancta Maria Hospital is unquestionably a watershed for the charity, achieving which during the pandemic has been the first call on our resources for some time, but we have not neglected the wider interests of the charity. We have reviewed and where appropriate updated many other aspects of the charity's operations and governance. It would be a mistake to underestimate the scope of this exercise and the future HMT will look different from the past.

To the extent permitted by our management and balance sheet resources, we have continued to invest in other parts of the charity's activities alongside the delivery of the Sancta Maria Hospital project, including in the facilities at St Hugh's Hospital. Construction of our new, dementia focused, care home at Littlehampton is well underway, and the home is due to open in May/June 2023. We expect to add further similar care homes, most probably on lease operate contracts, over the next few years.

We have continued to invest in systems and procedures, to create a working environment that interacts effectively with our counterparts and regulators that is, where possible, paper-free, and above all that applies the highest clinical standards and a safe and welcoming environment for patients and residents.

We have continued to strengthen the Board and I am delighted after an extensive search to have been able to welcome Dr Caroline Fryar, Lisa Geary and Jan Sanders as new trustees.

We have remodelled the Board committee structure to better handle the management of risk, establishing a new clinical risk committee to work alongside a financial risk committee, formed from the previous audit committee with enhanced delegated responsibilities.

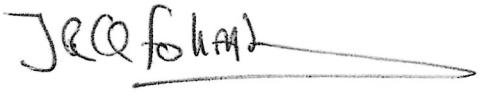
Above all, I'm delighted that Nichola Stefanou will be joining us as our new Chief Executive, effective from 5 September 2022. Nichola will be leading the executive team at an important stage in the Trust's evolution and I am very confident that she will provide the drive and leadership to take us through the next stage in the charity's evolution and growth.

Nichola succeeds Tony Barrett, who is taking retirement at the end of the year after serving the Charity for 29 years, the last 11 as Chief Executive. Over that time, he has successfully steered us through many challenging times, including of course the construction and commissioning of Sancta Maria Hospital and the Covid-19 pandemic. He leaves with our thanks and very best wishes for a long and healthy retirement.

HMT's strategy is regularly reviewed against delivery by the Board – and this is reported on in the Trustees' Report – but a more fundamental review of longer term strategy is also undertaken whenever changes in circumstances, or the passage of time, dictate. Completing the new hospital, the impact of Covid-19, and the arrival of a new chief executive, together indicate strongly that now is one of those times, and I expect the results of such a review to be reflected in the next Chairman's letter and Trustees' report. Hopefully, the shock of the pandemic is provoking a reassessment of the importance of the independent acute hospital sector, and properly skilled and resourced private residential care, to public health and if so, HMT is well placed to put in place a strategy to respond to this.

In so doing, it is worth keeping in mind that HMT is a charity with origins in providing services to religious orders with hospitals and care homes. As both a private healthcare sector operator and a registered charity, HMT must apply commercial criteria to managing its assets and activities, but also clear public benefit and overtly ethical criteria. This approach, which is intentionally more collaborative and consensual than might be expected in many purely commercial businesses, is reflected in the way the Board, executive team and staff make decisions and relate to external stakeholders and to each other. It has come under strain from the challenges arising during the pandemic, but I am still regularly struck by the approach of so many of those working at HMT. It is a golden thread derived from our heritage, and an invaluable asset for how we manage the challenges of the future. I would therefore like to thank all those at HMT not merely for your exceptional efforts through the pandemic, but also for the manner in which so many of you apply this principle to support the charity and deliver the care that our patients and residents deserve.

John Folliott Vaughan
Chairman



Date of Approval: 27 JULY 2022

Trustees' report (incorporating a Strategic Report) Year to 31 December 2021

The Trustees, who are directors of The Healthcare Management Trust (the "Trust") under company law, submit their annual report and the audited financial statements for the year ended 31 December 2021.

About The Healthcare Management Trust

The Trust was established in 1985 with the aim of relieving sickness, both physical and mental, and the preservation and protection of good health. The Trust delivers on these core objectives through:

- Diagnosis, treatment and care in its acute hospitals.
- Social and nursing care delivery at its care homes.
- Supporting other charities within the health and social care sectors with consultancy and management support services.
- Engaging with the communities within which the Trust is based to improve quality of life outcomes and life expectancy.
- The funding of pure and applied research grants in the fields of health and social care.
- The provision of community development grants for health and social care projects.

The Trust raises no voluntary income; the Charity's work is funded solely through its operating income, investments and reserves. We provide access to all, without regard to the route patients and residents take in coming to us.

The Trustees have regard to the general guidance provided by the Charity Commission when they review the aims and activities of the Trust and the provision by the Trust of public benefit.

The Trust conducts its work based within the context of a set of guiding principles:

- A belief that each of our patients, residents and their families are unique individuals, and we place them at the heart of everything we do and seek to achieve.
- Respect for all faiths and a belief that there is a special pastoral dimension in caring for others which involves a combination of spiritual, emotional, physical and ethical elements.
- The need to treat and care for each of our residents and patients, their families, friends and our colleagues with the respect and dignity we ourselves would expect to receive.
- An acknowledgement of the physical, mental and social vulnerabilities that our residents and patients may experience, and the absolute responsibility placed upon us to safeguard them at all times.
- A recognition that the settings in which we provide care for the older person represent each resident's home and we respect this.
- An absolute belief in the sanctity of life and the need for dignity at its end.
- The need to involve each patient and resident, their family and carers in decision making and planning with regard to their care with the need to be open and honest.

Our Strategic Objectives

Our strategic objectives are as follows:

- To deliver high quality, evidence based, safe patient/resident centred treatment and care.
- To develop our staff's skills and competencies.
- To work with our partners and stakeholders for the benefit of our residents and patients.
- To value the ethos and mission of the founders of our hospitals and care homes.
- To play an active role within the fields of health and social care contributing to the development of national policy and improving local provision.
- To provide strategic, management and operational support to other charities operating within health and social care in order that they may grow and develop sustainably.
- To constantly improve the quality and range of services we provide to our users.
- To contribute to the health and wellbeing of the geographical communities we work within, fulfilling an active role in the leadership and delivery of healthy active and wellbeing programs.
- To fund research within the field of dementia and other areas of health and social care.
- To support individuals who suffer from isolation and loneliness within the geographical communities we work within.

Key Facts and Numbers

During the year:

- Income grew by 33%.
- The Trust employed 549 staff, equating to 447 whole time equivalents.
- Overall, 55% of patients treated at the Trust's hospitals were funded by the NHS, at the same cost to the NHS had NHS hospitals provided the diagnosis and treatment.
- Admitted patient activity equated to 8,568 episodes, an increase of 44% on the previous year.
- Day cases represented 69% of admitted patient activity.
- The average length of stay for inpatients within our hospitals was 1.59 nights with the overall average for all patients equating to 1.18 nights.
- Our hospitals had no recorded cases of hospital acquired Covid-19, MRSA or Clostridium Difficile (C Diff).
- Our care homes provided 4,648 weeks of care, equating to 32,536 resident nights, with an overall average occupancy of 82% across our care homes. These numbers in occupancy terms represented a fall of 7.5% in comparison to the previous year for reasons directly attributable to the impact of Covid-19.

Key Facts and Numbers (continued)

- 9.6% of residents accommodated in our care homes were funded in whole or part by the state.
- We provided financial bursaries amounting to £23,000 to residents within our care homes.
- We supported, at less than commercial cost, 6 charities in their management, governance oversight and care management, within 17 care homes encompassing 129 elder/physical/neurological disability care beds. Our charitable subsidy of this work equated to £100,000.
- We distributed £43,161 in community development grants.
- The total value of our wider charitable work, listed above, equated to £166,161 for the year, representing 0.4% of income.

Covid-19 Pandemic

2021 proved to be an extremely challenging year for the Charity, with the Delta variant up surge at the start and the Omicron variant wave at year end. The social, operational and financial impact was significant and this continues in 2022.

During variant waves, our Care Homes experienced outbreaks and the restrictions on visiting, the resultant lockdowns negatively impacted on residents and their families. We worked proactively to facilitate resident visiting and social interaction when Governmental Public Health directives allowed.

Families continued to be cautious and this impacted on the rate of new admissions to our homes with overall occupancy below pre-pandemic levels, it will be late 2022/23, we anticipate before resident occupancy levels consistently reach sustainable levels.

Staffing continues to present a challenge within our care homes not just because of the national structural deficit in health and social care staff availability but also because of the need for Covid-19 related self isolation which has exacerbated the situation.

Across our hospitals the staffing picture mirrored our care homes. The need for self isolation by patients resulted in a significantly increased level of short notice cancellations, the rate doubling over the previous year.

The Trust continued to support the NHSE Covid-19 elective recovery program throughout the year and into 2022. Whilst the terms of this contractual arrangement have improved commercially, the NHS Trusts we work with have failed to deliver the required contractual patient volume envisaged under the contract. In order to mitigate this, we returned to Direct GP Referrals as soon as it became contractually possible. It was noticeable that the nearest NHS Hospital Trust appeared to be retaining orthopaedic patients volume internally and supplying the HMT hospital with lower complexity/revenue volume.

We ensured that the Charity's Trustees were kept fully informed by weekly briefing sessions to the Charity's Chairman and detailed monthly risk management and operational reports to all Trustees.

Our staff and partners were magnificent in meeting the continuing challenges that the Pandemic continues to bring, and the Trustees wish to extend their thanks to the entire HMT Team.

National Covid-19 Vaccination Programme

The Government enshrined in law a requirement that full Covid-19 vaccination was a condition of staff deployment within a range of Health and Social Care settings. This regulation came into full force on 11 November 2021, and unfortunately 5 staff members who declined vaccination had to leave the employment of the Charity. The Government choose not to place the same regulatory requirement on the acute healthcare sector after significant NHS backlash, and it was regrettable that this created a feeling of double standards being applied.

At the time of this report, all our care home residents who wished to take up the offer of a booster vaccination have now received this additional dose of the vaccine. This equates to a resident full vaccination rate of 97% with a care home staff vaccination rate of 100%.

Achievements, Performance and Future Plans

We reviewed our original strategic and operational plans for 2021 and revised these to focus on:

- Safeguarding our residents, patients and staff from Covid-19.
- Utilising social and other media channels to inform prospective residents and patients about the measure we have taken to create Covid-19 safe hospitals and care homes.
- Returning our hospitals and care homes to pre Covid-19 levels of activity.
- Capitalising on the renewed interest during the pandemic on careers in Health and Social Care.
- Delivering our new hospital in Swansea.

In 2020 the Trust took a critical look at its Trustee Board Committee structure to ensure it remained fit for purpose and reflected the complexity of the Charity's work, with particular focus on the identification and mitigation of risk. Trustees resolved to create 2 new board sub-committees.

The Finance Committee has taken on the duties of the previous Audit Committee, with wider responsibilities in the area of financial and commercial risk. The Clinical Governance Committee was established to deal with clinical risk and related matters. These new sub-committees are intended to enable Trustees effectively to manage risk arising from the Charity's activities. Following Covid-19 delays, that these committees have now commenced their activities.

Safeguarding beneficiaries is a key responsibility of all charities and we enhanced our training regime to reflect this.

We further increased our internal training capacity by recruiting trainers at each of our hospitals and care homes. We also increased our activity programmes to enhance the quality of life for our care home residents by recruiting additional staff resources targeted at this area.

Following a Care Quality Commission inspection of Marie Louise House, it was up-rated from Requires Improvement to Good. This is testament to the home's leadership and the committed work of the whole staff team. The safety and quality of diagnosis, treatment and care that the Trust provides to residents and patients across its care homes and hospitals is the Trustees' priority and the Trust's ethos and philosophy reflect the core values which underpin the delivery of this care.

Achievements, Performance and Future Plans (continued)

The Trustees recognise that the staff of the Trust are the single most important lever for delivery and change and we continue to review our salaries, terms and conditions and staff development in order to recruit and retain staff who identify with the mission of the Charity.

Significant work streams continue with the goal of creating a paperless diagnostic, treatment and care environment within our hospitals.

The Trust continues to promote and support the development of its care home workforce skillsets by supporting the training of staff to achieve Registered Nurse and Associate Practitioner status. Trustees recognise the need to develop prospective future care home managers and, therefore, the Charity supports the attainment of the Level 5 Registered Manager Award for Deputy Managers and Unit Managers within its care homes.

The isolation of the elderly in the community unfortunately increased during the pandemic. The Trust remains committed to developing its range of community projects to impact on the increasing loneliness experienced by a significant number of the elderly who live alone, based around our care homes. Such face-to-face activity was effectively prevented during the national lockdowns, we have reinstated these initiatives in 2022.

St Hugh's Hospital presently has a Requires Improvement rating from the CQC and the Trust, its workforce and consultant partners continue to work to secure as a minimum a Good CQC rating. Importantly, within the current rating, Care is judged to be Good and feedback from patients with regards to care and clinical outcomes remains extremely positive, reflected inter alia in the numbers of patients choosing St Hugh's for their diagnosis, treatment and care.

Our treatment outcomes and patient satisfaction ratings continued to be consistently above national comparators, indicating that patients are benefiting from, and value, the services they receive at the Trust's hospitals. These findings reflect the skills and commitment of all the Trust's workforce and its consultant partners. The Trustees thank them both individually and collectively.

Investing in Buildings and Services

The development of a new state-of-the-art flagship hospital in Swansea has been a watershed initiative for the Trust. Planning permission for the SA1 Waterfront development was granted in April 2018. A finance partnership was agreed with HSBC and formalised in early 2019. A tender process was conducted to secure a construction partner and Keir Construction Limited was appointed in late 2018, with construction commencing in March 2019.

The impact of the Covid-19 pandemic and the implications of social distancing in the construction sector, compounded by building material shortages and specialist equipment delays, again mainly as a consequence of the pandemic, resulted in delays to the project, with the hospital being handed over by the contractor and welcoming its first patients in March 2021.

No organisation has ever opened a private hospital in the midst of a pandemic and the Trustees wish to congratulate the whole hospital team and the Trust's partners. It was, in the circumstances, a considerable feat to complete close to budget and with a delay of only three months.

Achievements, Performance and Future Plans (continued)

Investing in Buildings and Services *(continued)*

The first year of the new hospital's life has been challenging and the pandemic and other factors have resulted in lower commercial activity than anticipated. Attracting patient flows from established patterns in a Covid-19 environment has posed additional challenges to which the Trust is applying focused commercial management. Whilst self pay activity is strong, the activity levels from the medically insured have been slower to take off. The Welsh NHS, despite its significant waiting times remains reticent or politically unable to capitalise on the opportunities offered by the new hospital.

The hospital experienced a leadership change in early 2022 with a new Hospital Director has been recruited and commenced employment in June 2022. In the interim period the Trust's Chief Executive acted as Hospital Director in Swansea.

The Trust had reached an agreement to purchase and extend, subject to planning, Marie Louise House, the care home it lease operates in Romsey. The subsequent planning process was severely delayed due to the issue of raised nitrate levels in ground water runoff polluting the Solent, which is an issue affecting all planning applications in Hampshire, and subsequently a number of other counties. In Hampshire, the granting of planning across the County has been made conditional on applicants acquiring mitigating nitrogen credits at a level determined by the local authority and for the Marie Louise House development, this was set at a cost of £350,000. Given the planning delay, the Trust also choose to re-cost the development, which indicated a minimum increase in construction costs of £1,200,000. Overall the cost of the development increased by a minimum of £1,550,000. Together, these cost increases, losses incurred and the impact on the pandemic on care home occupancy resulted in the Trust deciding to discontinue work on the proposal to acquire and extend the home. The Trust continues to operate the home on a leasehold basis with its partners the Daughters of Wisdom.

In early 2021, the Charity entered into a development agreement with Brackley Developments for the construction of a 64-bed specialist dementia care centre located in Littlehampton, West Sussex. This facility will be lease operated by the Charity, with construction commenced in November 2021, and is expected to come on stream in May/June 2023.

The Charity has a number of other opportunities for similar care centres in the South and it is actively progressing these potential developments.

The Charity regularly monitors, and will bring forward when appropriate, opportunities to develop additional facilities on the sites of its existing hospitals and care homes.

Tony Barrett, the Trust's Chief Executive, has served the Charity for 28 years, indicated that it is his plan to retire at the end of 2022. In late 2021, Trustees, working with an Executive Recruitment Partner, commenced the process of finding a successor, successfully completed with the announcement in June 2022 of the appointment of Nicola Stefanou as Chief Executive of the Trust effective from October 2022.

Wider Charitable Impact

In addition to the direct impact of the diagnosis, treatment and care the Trust provides in its homes and hospitals, the Trustees have also considered how the impact the Trust makes within the wider field of health and social care might be extended.

Wider Charitable Impact (continued)

Supporting other Health and Social Charities

The Trust supported the following charities during the year, who together operate 346 resident beds, by delivering health and social care operational management and consultancy services. The Trust delivered some of this support on a pro bono basis and, when a charge was made to the receiving Charity, this was set at a level which reflected a charitable subsidy supported from the Trust's operational surplus:

The Jesuits in Britain – Care Homes in Boscombe and Preston.

The Ursulines of Jesus – Stella Maris Care Home, Swansea.

The Sisters of the Cross and Passion – Cross and Passion Care Home, Lytham St Anne's.

The Little Company of Mary

The Religious of the Assumption – St Catherine's, London.

Research and Community Grant Funding

Whilst the Trust experienced a challenging year financially, the Trustees felt that it was important to continue the Charity's grant funding activities. Therefore, the Trust continued to fund research projects, currently focusing on projects in the field of dementia.

The following projects are currently supported:

- Alzheimer's Society/University of Sheffield – Keeping talking longer: speech therapy to help people living with dementia stay in conversation.
- Alzheimer's Society/University of Newcastle – Cognitive lifestyle & dementia: Investigating the impact of an active lifestyle on brain health over time.
- Swansea University – Understanding and improving emotional wellbeing of older care home residents.
- Swansea University – Enhancing person-centred care and wellbeing for older residents with dementia through intergenerational practice.
- Stirling University – Creating a Care Home Band.

Community Development Grants

The Charity continued its support of the Swansea Musical Memories Choir for dementia sufferers and their carers, making an annual grant of £9,000 to support the running costs of this 60-member choir. Whilst the Choir has been in abeyance as a result of the pandemic, they have recently reopened and meet 2 times per week.

We also continued our financial support to Friendship at Home with a £36,000 annual grant. This is a community interest organisation based in Grimsby which works to address the impact of isolation and loneliness in the elderly. Whilst face-to-face activities ceased during the pandemic, remote support via video and voice calls increased, as did support with shopping and other activities.

Our Stakeholders

Residents and Patients

Our residents and patients are at the centre of all we do as a Charity, and we focus on providing them with the best possible care, diagnostics and treatment. We actively seek out and value the feedback and opinions that they provide us which in turn drives us to improve the quality of our services.

How we engage with residents and patients:

- Resident and Patient Satisfaction Surveys.
- Resident and Family Forums.
- Patient Forums.
- Social Media and our websites.
- Regular Trustee and Executive visits to our care homes and hospitals.

Our People

Our people are our biggest asset in delivering care, diagnostics and treatments to improve the outcomes for the people and communities we serve. Seeking the views of our employees is key to making HMT a place that is inspiring, rewarding and a healthy place to work, and one that values and promotes inclusion and diversity, recognising skills and talent, developing individuals and teams.

We engaged with our staff through:

- Elected Staff Consultative Forum.
- Annual Staff Survey.
- HR Clinics.
- HMTeam app.
- Annual CEO Brief and quarterly video broadcasts.
- Monthly staff briefs.
- Regular Trustee and Executive visits to our care homes and hospitals.

Health and Social Care Partners

Our care homes provide a home and care to self-funding and socially funded individuals, and we value all our residents equally. Our hospitals provide healthcare services to a wide range of providers including private medically insured, NHS and self-funding patients. The consultants who work with us deliver research-based care based on national standards delivering the best outcomes.

We value all our relationships, and we seek to work with them in a spirit of cooperation to achieve the best outcome for patients.

Our Stakeholders (continued)

Health and Social Care Partners *(continued)*
We engage with our health and social care partners through:

- Care Home Managers engaging directly with Health and Social Care stakeholders in each locality.
- Hospital Directors and our Chief Medical Officer engaging directly with local NHS Trusts.
- Maintaining relationships with NHS key stakeholders at all levels.
- Holding regular meetings with private medical insurers.
- Participation in national quality schemes and the publication of quality reports.
- Regular meetings and communication with hospital medical staff.

Our care homes provide a home and care to self-funding and socially funded individuals and we value all our residents equally.

Our hospitals provide healthcare services to a wide range of providers including private medically insured, NHS and self-funding patients. The consultants who work with us deliver research-based care base on national standards delivering the best outcomes.

The Communities we are located within
We actively engage with the communities that we are based within by offering employment opportunities, ensuring accessibility to all ethnicities, genders and disabilities. We work within these communities to promote healthy lifestyles, combat loneliness in the elderly and support the carers of individuals suffering from dementia.

We engage with local communities through:

- Funding community charities and other projects to reduce loneliness in the elderly, as well as supporting the carers of individuals suffering from dementia.
- Community dementia outreach programmes delivered at no cost to recipients.
- Apprenticeships offering paid learning opportunities.
- Supporting community events and local initiatives delivering.
- Working with local schools, voluntary bodies and service organisations to deliver health knowledge and improve healthy lifestyle outcomes.
- Working with schools on social interaction projects that interface with the national curriculum.

Suppliers
We seek to develop collaborative partnerships with our suppliers which are key in developing a strong and proactive supply chain, minimising the environmental impact of the care, diagnostics and treatments we deliver.

Our Stakeholders (continued)

***Suppliers** (continued)*
We work in partnership with third party research commissioners and universities on research projects that enable better understanding and new approaches to health and social care.

We engage with our suppliers through:

- Regular meetings with suppliers.
- Sharing of information.
- Supplier code of conduct.
- Periodic supplier reviews.

Government
Our purpose is to improve the health and social care outcomes of the people and communities we serve. Therefore, whilst we are not a campaigning charity, it is essential that we ensure that we are aware of and keep up to date with governmental priorities, policies and regulatory changes across health and social care. We engage with the government and local authorities at all levels.

We engage with government through:

- Industry bodies, particularly the National Care Forum and Independent Healthcare Providers Network.
- Participation in government consultations.
- Sharing research findings and best practice.

Section 172 statement
As a company limited by guarantee, the Charity is subject to the provisions of the Companies Act 2006. Accordingly, the Board of Trustees provides this statement describing how it has had regard to the matters set out in section 172(1) of the Companies Act 2006. The Board believes that it has acted in the way it considers would be most likely to promote success of the Company for the benefit of its members as a whole, having regard to section 172(a) to (f).

a. The likely consequences of any decision in the long term.

   Trustees ensure, having properly considered the information available to them that their decisions are in the best interests of the Charity and its beneficiaries, medium and long-term outcomes and the importance of maintaining its reputation as a health and social care provider. The decisions of Trustees are shaped by the wider strategy of the Charity and how they can best support the delivery of the Charity's long-term strategy.

b. The interest of the company's employees.

   Our Trustees recognise the importance of the Charity's employees to the long-term success of the Charity and recognise that the development of individuals and teams is central to its success.

Section 172 Statement (continued)

The Charity has a programme to develop its leaders of the future as well as its workforce, achieved through apprenticeships and other education and skills acquisition programmes.

As the impact of Covid-19 became apparent, Trustees through the Chairman met, and continue to meet, regularly with the Executive and Gold Command Team. Trustees recognised that proactive and timely action was required to protect the Charity's beneficiaries and long-term future. As the pandemic progressed, staff were placed onto the Government's job retention scheme. After considering the impact on our people and their families, Trustees decided to bridge the gap in the Government scheme so that staff furloughed received 100% of their salaries.

c. The need to consider the Charity's business relationship with suppliers, customers and others.

The Charity places its residents and patients at the heart of everything it does, working to ensure the highest level of care, diagnostics and treatments. Trustees review all resident, patient and stakeholder feedback insights gained from annual surveys and other methodology. The Charity develops relationships with all stakeholders, including suppliers, regulators, the NHS, local authorities and government to understand how the Charity can work together with them.

d. The impact of the Charity's operations on the community and the environment.

Trustees recognise the importance of climate change and the need to make changes to our ways of working to mitigate the Charity's operations on the environment. The Charity is therefore developing a strategy across all areas of our operations to reduce its environmental impact were feasible.

The Charity is working to reduce its dependence on single use plastics, reduce waste and pursue an energy strategy that places sustainability at its heart.

e. The desirability of the Charity maintaining a reputation for high standards of business conduct.

The reputation of the Charity is key to its success as a health and social care provider. Central to this is the promotion of the Charity's ethos both within the Charity and the community.

f. The need to act fairly as between members of the Charity.

When determining the Charity's long-term strategy, Trustees consider the impact on its beneficiaries, employees, stakeholders and partners. Our Trustees ensure that decisions are in the best interests of the Charity, taking into account the needs of these groups and the importance of maintaining its reputation.

Streamlined Energy and Carbon Reporting

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires HMT to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the 12-month period ended 31 December 2021.

Streamlined Energy and Carbon Reporting (continued)

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, gaseous fuels such as natural gas, and business travel in company-owned and grey fleet vehicles. The table below details the SECR-regulated energy and GHG emission sources from the current and previous reporting periods.

		2021	2020	% Change
Energy (kWh)				
Total underlying energy		6,168,185	4,649,644	34.3%
Emissions (tCO_2e)				
Scope 1	Natural gas	731.6	600.5	21.8%
Scope 1	Company vehicles	-	0.8	-100.0%
Scope 2 (LBM)	Electricity	468.0	350.4	33.6%
Scope 3	*Grey Fleet*	16.2	7.1	128.4%
Total SECR emissions		1,528.6	958.8	26.8%
Emission intensity ratio				
tCO_2e / per employee		2.53	1.79	41.5%

HMT is committed to reducing its environmental impact and contribution to climate change through continuous improvement procedures throughout our care home and hospital facilities. The increase in the ratio per employee is a direct result of the additional energy requirements at the new Sancta Maria, including running the static MRI, and having to continue incur energy costs at the old Sancta Maria whilst the sale of the site progressed.

During the reporting period, we introduced cycle to work and car-sharing schemes in order to incentivise employees to reduce the emissions intensity of their commute into work. Light fittings across all sites are currently being upgraded to more efficient LED equivalents as required. LED lighting is expected to be fitted across all hospitals within the next 18 months as part of our five-year conditions plan.

The Trust encourages the recycling of plastic, paper, card, and printer cartridges that are all sent to specialised recycling plants. Reusable drink containers have been provided to all members of staff within the reporting period, which has reduced the dependency on disposable cups. In addition, waste food from the hospitals is sent to 'reFood' which produces energy from food waste.

Methodology

All activity data has been converted into energy and associated emissions using factors published by the Government's Department for Business, Energy and Industrial Strategy (BEIS) in 2021. Electricity and natural gas disclosures have been based on metered kWh consumption taken from supplier fiscal invoices where available. Where primary invoice data was not available, consumption has been estimated based on adjacent invoices and CIBSE industry benchmarks. Estimated consumption accounts for 13.1% of total reported energy.

Transport disclosures have been based on business mileage expense claim records. Information such as engine size and type were not held against each mileage claim, therefore an emissions factor reflective of a vehicle of average size and fuel type was used.

Financial Review

Our 2021 financial results were materially impacted, as in 2020, by the exceptional and ongoing circumstances presented by the Covid-19 pandemic. On the surface, a 33% increase in income to £39.0m in the year is an outstanding result. However, this increase was offset by a similar increase in costs netting down to an overall deficit of £1.6m before investment gains.

Our hospitals:

- In 2020 the financial performance of both our hospitals was adversely impacted as we supported the NHS in dealing with the effects of the pandemic. These contracts were initially "at cost" agreements with the NHS in return for our hospital capacity. As a consequence, HMT's income and profitability were adversely impacted in 2020.

- For 2021, St Hugh's Hospital reverted to its traditional volume-based elective surgery agreements with the NHS, as well as providing services to private patients. This resulted in a 37% increase in income over 2020.

- The opening of the new Sancta Maria Hospital in February 2021 was a tremendous landmark achievement for HMT. However, a consequence of transferring activity from the old site to the new hospital over a two-month period was an adverse impact in EBITDARM of over £1.2m.

- Both hospitals recorded significantly higher levels of cancellations in 2021 than had been previously experienced, growing by over 100% compared with 2020. Most of this increase was short-notice cancellations due to the requirement to self-isolate, impacting upon the availability of patients, consultants and employees and a material increase in staff costs.

- Tackling the on-going pandemic has also resulted in higher costs associated with infection control measures, including testing staff and high PPE costs.

Our care homes:

- The occupancy rates at our care homes, as with the overall market, continues to be adversely impacted by the pandemic and associated reluctance to see family members being admitted into care homes.

- The overall occupancy rate across our homes in 2021 was 82.5%; a fall of 7.5% in the year and decrease of 10.5% against our pre-pandemic level. The decline we have experienced is consistent with that experienced by other operators within the sector.

- As a consequence of this fall in occupancy, the income generated by the homes fell by 4.4%.

- The homes overall reported a net deficit of £0.63m in 2021, compared to a net deficit of £0.22m in 2020.

- As with our hospitals, we are experiencing higher costs, associated with operating in a Covid-19 environment, in terms of infection prevention measures and covering short-notice absences of staff who were required to self-isolate.

Financial Review (continued)

In recognition of the impact of the pandemic and the resulting delay in achieving practical completion of the new Sancta Maria Hospital, HSBC have amended the covenants for debt service and leverage on their [principal] loan to the Trust. We would like to thank HSBC for their continued support and understanding during this extraordinary and challenging period.

The Trustees continue to monitor closely the adequacy of the Trust's working capital and consider that its assets and available funds are adequate to fulfil its obligations. Net Current Assets at 31 December 2021 stood at £0.2m, after mortgage and finance lease repayments of £1.1m.

In preparing the annual report and financial statements of the Trust, The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) applicable to charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The financial statements comply with current statutory requirements and with the requirements of the Articles of Association.

Reserves

Along with the majority of charities, the Covid-19 pandemic has resulted in our level of general reserves being significantly depleted. Free reserves have fallen below our policy of maintaining £3,000,000 in free reserves. As at 31 December 2021, the General Funds (or free reserves) stood at £1,056,795 (2020: £3,046,425 after offsetting the construction creditor with the drawdown from the HSBC facility that would fund the payment).

The Trustees review the Trust's reserves position regularly to ensure that it has adequate funds to support its on-going work, taking into consideration the assets required to provide a high standard and quality of care for its service users, reasonable working capital and any unforeseen circumstances.

In the most recent review, the Trustees still consider that the Trust's reserves policy of holding £3,000,000 of free reserves remains appropriate, and have set an objective to build free reserves back to this level. Trustees alongside the Executive are developing a strategy to return the reserves back to this level, in the meantime we are comfortable with the current level of reserves. In addition, the Trust had at 31 December 2021 designated reserves of £275,121 as a building and equipment reserve for Coloma Court and Marie Louise House.

Investments

Historically, the majority of the Trust's reserves have been invested with the support and advice of professional investment managers. The Trustees have adopted an investment strategy with a "moderate" risk profile, with this risk being mitigated through diversification. The investment performance and investment strategy are monitored on a regular basis.

However, in order to comply with the requirements of the HSBC financial covenants, it has been necessary to implement a strategy of converting the investment portfolio into cash equivalents; this was completed in March 2022. This conversion is reflected on the Balance Sheet with the investment portfolio moving from Fixed Assets to Current Assets at 31 December 2021.

We would like to record our thanks to James Codrington and his team at Rathbones for their excellent work over the years in managing the portfolio and the professional way they assisted us in transferring the portfolio to meet our cash equivalent criteria.

Financial Review (continued)

Risk management

The Board of Trustees is responsible for establishing a risk management structure, policy and strategy for the Trust. In addition, the Trustees review the high-level risks to the Trust at both strategic and operational levels.

Risks are identified and prioritised based on the likelihood of an event occurring and the impact of that event should it happen. All identified risks are recorded at either central or local level and these are reviewed informally on a continuous basis and formally at each Board Meeting. Controls and mitigation strategies are identified for each risk to reduce the impact or probability of the risk.

Key risks

The most significant risk facing the Trustees at present is the implications surrounding the ongoing Covid-19 pandemic. This is covered by regular reviews of the current and predicted operating conditions between the Trustees and the Executive Team.

Other material strategic risks include:

- The continuing challenge of the economic climate and its impact on the Trust's patients and residents to self-fund treatment and care at its hospitals and care homes;
- Failure to follow an appropriate strategy;
- Shortage of suitably qualified staff;
- A serious clinical incident, which could have a serious negative impact on the Trust's reputation and, potentially, its finances;
- Uncertainty generated by the pressures on the NHS and inflationary pressure on the English NHS Tariff;
- The general economic environment and the potential cost pressures and supply issues that could follow.

Structure, Governance and Management

Constitution and principal aims

The Healthcare Management Trust is a registered charity, Charity Registration No 292880, established in 1985. The objects of the charitable company are detailed in the Memorandum of Association. The Trust is constituted as a company limited by guarantee. In the event of the charitable company being wound up during the period of membership or within the year following, company members, who are the Trustees, are each required to contribute an amount not exceeding £5.

Structure, Governance and Management (continued)

Trustees

The Trustees of the Trust, who constitute directors of the company for the purposes of company law, are appointed by resolution of the Board. The following served as members of the Board during the year:

Trustee	Appointed / Resigned
J Folliott Vaughan (Chairman)	
D Jones (Vice Chairman)	
Dr L Dinner	Appointed 7 June 2021
N Draper	
M Gerold	
Dr L Roberts	
N Stephens DL	
Dr C Streather	
G Von Malachowski	

Secretary	Appointed / Resigned
N Roissetter	

All Trustees give their time voluntarily and receive no remuneration from the Trust in connection with their duties as Trustees, with the exception of J R Q Folliott Vaughan who received £30,000 in respect of his services as Chairman. The financial information regarding Trustees is shown in note 8 to the financial statements.

The Trustees regularly assess the skills mix within the Board; when it is considered that additional skills are required, a new appointment is made following detailed discussion. All Trustees are provided with a "Trustee Manual": This is updated regularly and contains information about the governance and operations of the Trust. Trustees visit the Trust's hospitals and homes on a regular basis.

The Trustees were supported during the year by Philip Jukes, who advised the Board and visited the hospitals and homes regularly.

Principal advisers

The names and addresses of the principal advisers to the Trust are listed on pages 1 and 2.

Governance and key management personnel

The Trust achieves its aims through the provision of advice and management expertise to existing hospitals and care homes and, where appropriate, by the acquisition and operation of hospitals and care homes.

The Trustees, who are responsible for the overall control of the Trust, meet regularly and receive detailed monthly management, clinical and other reports to retain effective control over the Trust and to supervise the Executive Management.

Structure, Governance and Management (continued)

Governance and key management personnel *(continued)*
Senior staff manage the activities of the Trust. The following senior staff comprise the Executive Management and were in place at the date when the Annual Report and Financial Statements were approved or served during the financial year:

Mr Tony Barrett – Chief Executive
Mr Nigel Roissetter – Chief Financial Officer
Ms Mair Williams – Chief Operations Officer, Care Homes
Dr Lorcan Sheppard – Chief Medical Officer
Ms Antoinette Edwards – Chief People Officer

During the financial year, the Board was supported by: an Audit and Risk Committee chaired by Mr N Stephens DL and comprising Mr M Gerold, Mr D Jones, and Mr G Von Malachowski; by a Research and Grants Committee chaired by Mr N Draper and comprising Dr L Roberts, Dr C Streather and Mr G Von Malachowski; and by a Remuneration Committee chaired by Mr J Folliott Vaughan and comprising the whole Board.

Following the year-end, and as a result of a review of how the Trust manages risk, the Audit and Risk Committee was replaced by a Financial Risk Committee covering the responsibilities of its predecessor, but with an additional delegated responsibility to consider and manage financial risks arising from the Trust's activities. A new Clinical Risk Committee was established and given delegated responsibility to consider and manage clinical risks arising from the Trust's activities. The Clinical Risk Committee is chaired by Dr L Dinner and comprises Dr L Roberts, Dr C Streather and Mr G Von Malachowski.

Senior staff at the hospitals and care homes report to the Executive Management.

Control is exercised by a comprehensive system of financial planning, approvals, monitoring and reporting, backed up by accounting records, which together provide the necessary level of financial control.

Key management personnel
The Trustees consider that they, together with the Executive Management, the Hospital Directors and the Senior Managers at the Care Homes, comprise the key management of the Trust in charge of directing and controlling, running and operating the Trust on a day-to-day basis.

The remuneration of key management personnel is set and approved by the Trustees. Remuneration is set in the context of market rates and industry benchmarks and is reviewed annually.

Equal opportunities
The Trust strives to be an Equal Opportunities Employer and applies objective criteria to assess merit. It aims to ensure that all job applicants and employees receive equal treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation and disability.

Structure, Governance and Management (continued)

Equal opportunities *(continued)*
Selection criteria and procedures are reviewed regularly to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. The Trust is also committed to providing a safe working environment for all staff.

The Trust has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting its performance. This is achieved through regular consultations with employees, including induction programmes, meetings and newsletters.

Volunteers
Pastoral care is provided, where possible, by religious Sisters and priests at the hospitals and homes, generally on a voluntary basis. Assistance is provided at some homes by "friends" organisations. There is no other dependence on voluntary help within the Trust.

Statement of Trustees' responsibilities
The Trustees (who are also directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' Report and 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 Trust and of the income and expenditure of the Trust 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom 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 Trust will continue in operation.

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

Structure, Governance and Management (continued)

Statement of Trustees' responsibilities *(continued)*
Each of the Trustees confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the Trust's auditor is unaware; and

- The Trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Signed on behalf of the Trustees:

JRQ Folliott

John Folliott Vaughan (Chairman and Trustee)

Approved by the Trustees on: 27 July 2022

Independent auditor's report to the members of The Healthcare Management Trust

Opinion

We have audited the financial statements of The Healthcare Management Trust (the 'charitable company') for the year ended 31 December 2021, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 December 2021 and of 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 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 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 and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report including 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;

- the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Companies Act 2006, data protection legislation, the Care Standards Act, Healthcare Commission regulations, Safeguarding regulations and Medical Health & Safety regulations; and

Auditor's responsibilities for the audit of the financial statements (continued)

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- tested the authorisation of expenditure as part of our substantive testing thereon;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of trustee meetings;
- enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- reviewing any available correspondence with the CQC, HMRC and the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Auditor's responsibilities for the audit of the financial statements (continued)
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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

Buzzacott LLP

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

28 July 2022

Statement of financial activities Year to 31 December 2021

	Notes	**Total funds 2021 £**	Total funds 2020 £
INCOME AND EXPENDITURE ACCOUNT			
INCOME FROM:			
Donations and legacies		**—**	8,143
Investment income and interest receivable	1	**77,530**	94,783
Charitable activities			
. Healthcare establishment fees and related charges	2	**38,887,283**	28,904,646
Other sources: Coronavirus Job Retention Scheme grants		**—**	263,947
Total income		**38,964,813**	29,271,519
EXPENDITURE ON:			
Raising funds			
Investment manager's fees		**18,093**	22,063
Financing costs	3	**347,248**	97,513
		365,341	119,576
Charitable activities			
Promotion and development of healthcare			
. Healthcare establishment expenses	4	**40,156,773**	30,143,482
. Charitable grants	5	**43,161**	181,715
		40,199,934	30,325,197
Total expenditure		**40,565,275**	30,444,773
Net expenditure before gains (losses) on investments		**(1,600,462)**	(1,173,254)
Net gains (losses) on listed investments	11	**222,737**	(155,122)
Net expenditure for the year and net movement in funds		**(1,377,725)**	(1,328,376)
Reconciliation of funds:			
Balances brought forward at 1 January 2021		**22,122,943**	23,451,319
Balances carried forward at 31 December 2021		**20,745,218**	22,122,943

All activities derived from continuing operations in each of the above two years with all income and expenditure being unrestricted.

Balance sheet 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible fixed assets	10	**32,942,525**	30,433,374
Investments	11	**—**	2,699,839
		32,942,525	33,133,213
Current assets			
Stocks	12	**568,383**	513,942
Debtors	13	**3,305,755**	3,592,879
Investments	11	**1,576,330**	—
Cash at bank and in hand		**4,288,687**	1,673,205
		9,739,155	5,780,026
Creditors: amounts falling due within one year:			
. Sancta Maria construction creditors	14	**(577,863)**	(2,313,778)
. Other	14	**(8,925,936)**	(4,493,009)
Net current assets (liabilities)		**235,356**	(1,026,761)
Total assets less current liabilities		**33,177,881**	32,106,452
Creditors: amounts falling due after one year			
. Sancta Maria construction creditors	15	**—**	(577,863)
. Other	15	**(12,432,663)**	(9,405,646)
Total net assets		**20,745,218**	22,122,943
The funds of the Trust			
General funds		**1,056,795**	846,425
Tangible fixed assets fund	16	**19,413,302**	21,133,374
Designated funds	17	**275,121**	143,144
		20,745,218	22,122,943

Approved by the Trustees and signed on their behalf by:

J R Q Folliott Vaughan

(Chairman and Trustee)

Approved on: 27 JULY 2022

The Healthcare Management Trust: A company limited by guarantee, Company Registration No. 01932882 (England and Wales)

Statement of cash flows Year to 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	**1,915,988**	1,049,187
Cash flows from investing activities:			
Investment income and interest received		**77,530**	94,783
Purchase of tangible fixed assets		**(2,516,123)**	(12,623,194)
Proceeds from the disposal of investments		**2,283,581**	2,735,487
Purchase of investments		**(937,335)**	(446,409)
Net cash used in investing activities		**(1,092,347)**	(10,239,333)
Cash flows from financing activities:			
Interest paid		**(347,248)**	(97,513)
New borrowings		**2,200,000**	9,300,000
Repayments of borrowing		**—**	(132,913)
Repayments of finance leases		**(60,911)**	(63,551)
Net cash provided by financing activities		**1,791,841**	9,006,023
Change in cash and cash equivalents in the year		**2,615,482**	(184,123)
Cash and cash equivalents at 1 January 2021	B	**1,673,205**	1,857,328
Cash and cash equivalents at 31 December 2021	B	**4,288,687**	1,673,205

Notes to the statement of cash flows for the year to 31 December 2021.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	**(1,377,725)**	(1,328,376)
Adjustments for:		
Depreciation charge	**1,917,052**	1,064,515
(Gains) losses on investments	**(222,737)**	155,122
Investment income and interest receivable	**(77,530)**	(94,783)
Interest payable	**347,248**	97,513
Loss on disposal of tangible fixed assets	**—**	18,149
(Increase) decrease in stocks	**(54,441)**	210,050
Decrease (increase) in debtors	**287,124**	(479,648)
Increase in creditors	**1,096,997**	1,406,645
Net cash provided by operating activities	**1,915,988**	1,049,187

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	**3,107,709**	1,219,317
Cash held by investment managers	**1,180,978**	453,888
Total cash and cash equivalents	**4,288,687**	1,673,205

C Analysis of changes in net debt

	At 1 January 2021 £'000	Cash flows £'000	Other non-cash changes £'000	**At 31 December 2021 £'000**
Cash	1,673,205	2,615,482	—	**4,288,687**
Finance lease obligations	(180,056)	(1,910,078)	60,911	**(2,029,223)**
Loans falling due after more than one year	(9,300,000)	(2,200,000)	—	**(11,500,000)**
Total	(7,806,851)	(1,494,596)	60,911	**(9,240,536)**

Principal accounting policies 31 December 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation
These accounts have been prepared for the year to 31 December 2021. Comparative information is provided in respect to the year to 31 December 2020.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Trust constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement
The preparation of the accounts in compliance with SORP FRS 102 requires the use of certain critical accounting estimates. It requires also that management and Trustees exercise judgement in applying the Trust's accounting policies.

In preparing these accounts, the Trustees have made significant estimates and judgements in the following areas:

- Estimating the expected useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- Estimating any provision for bad or doubtful debts;
- Estimating and recognising accrued expenditure;
- Classification of leases as finance or operating; and
- Estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern
The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

As explained in the Trustees' Report accompanying these financial statements, subsequent to the year end, the Covid-19 pandemic continues to have a significant impact on health and social care within the United Kingdom and, consequently, on the charity and its work.

Assessment of going concern (continued)
In particular, the pandemic has resulted in increased expenditure incurred in order to safeguard staff, residents and patients. At the same time, there has been a reduction in revenue due to falls in the normal occupancy levels at each of the Trust's care homes and a reduction in activity at the Trust's two hospitals due to the need to prepare to receive Covid-19 positive patients and high levels of cancellations resulting from patients, staff and consultants having to self-isolate. The impact of the pandemic with its associated reduction in revenue and increase in costs has been actively managed.

The pandemic has had, and is expected to continue to have, an adverse impact on the Trust's trading performance.

Whilst the Trustees anticipate that there will be a negative impact on the Trust's reserves, which may take some time to return to their pre-Covid-19 levels, The Trustees have reviewed possible areas of short-term and medium-term mitigation within their control and believe that these offer sufficient comfort to be of the opinion that the Trust's financial position is such that it is expected to be able to withstand the challenges presented.

The Trust also has a commercial mortgage that is subject to financial covenants. The Trustees believe that these financial covenants will be met. The Trustees have assessed the financial risks associated with meeting the financial covenants and are satisfied that they have viable mitigating actions that could be initiated if required in order to achieve compliance with the covenants.

The Trustees have therefore concluded that are no material uncertainties that may cast significant doubt on the ability of the Trust to continue as a going concern, and therefore, they are of the opinion that the Trust will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

Scope
The accounts of the two owned hospitals and the two leased care homes are included in these accounts on a line-by-line basis.

Income recognition
Income is recognised in the period in which the Trust has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises healthcare establishment fees and related charges, donations and investment income and interest receivable.

Income from healthcare fees and related charges is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured. It is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Consultant's fees, included within healthcare fees and related charges, are treated as income and expenditure for the Trust, except where the consultants bill the patients directly.

Income recognition (continued)
Donations are recognised when the Trust has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Investment income is recognised once the dividend or similar payment has been declared and notification has been received of the amount due.

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

Coronavirus Job Retention Scheme grants are credited to the statement of financial activities when the Trust has entitlement to the income and when the amount receivable has been quantified.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the Trust. This includes investment management fees and the costs associated with servicing loan finance.

- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Trust through the provision of its charitable activities. Such costs include the provision of healthcare in acute hospitals and care homes and the making of charitable grants and donations. Expenditure on charitable activities includes both direct costs and indirect support costs.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

Expenditure recognition (continued)
The provision of a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payments, settlement is probable and the effect of the discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant is made. This discount rate is regarded by the Trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Trust.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs
Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Trust it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Trust (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned to healthcare establishment expenses only.

Tangible fixed assets
Individual assets costing £1,000 or more, with an expected useful life exceeding one year, are capitalised at cost.

Certain freehold property is included in the accounts at a valuation determined during 1990 on the basis of existing use at that date. In accordance with the transitional provisions of Financial Reporting Standard 102, this valuation has not been updated and with effect from 1 January 2014 is deemed to be cost. All other freehold property and tangible fixed assets are included in the accounts at cost.

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

- Freehold buildings 2.5%
- Leasehold buildings 2%
- Fixtures and fittings 10-20%
- Plant and machinery 15%
- Motor vehicles 33⅓%
- Other equipment 15-33%

Assets under construction are not depreciated. Once the asset has been completed, the cost thereof is reclassified under the appropriate asset category and depreciated in accordance with the rates set out above.

Plant and machinery includes hospital facilities such as operating theatres and related equipment.

Fixed asset investments
Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Trust does not acquire put options, derivatives or other complex financial instruments.

As noted above, one of the main forms of financial risk faced by the Trust is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Stocks
Stocks of medical and sundry supplies comprising drugs, dressings and medical consumables are stated at the lower of cost and net realisable value. Provision is made against any slow moving or obsolete stock.

Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Trust anticipates it will pay to settle the debt.

Fund structure
General funds represent income or generated for expenditure on the general objectives of the Trust.

The tangible fixed assets fund represents the net book value of the Trust's tangible fixed assets, less any financing liabilities.

Designated funds represent monies or assets set aside by the Trustees, out of general funds, for specific purposes.

Restricted funds represent monies to be applied for specific purposes in accordance with donors' wishes.

Leased assets

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities on a straight-line basis over the lease term.

Assets held under finance leases are capitalised and disclosed under tangible fixed assets at their net book value. The capital element of the future payments is treated as a liability and the interest is charged to the Statement of Financial Activities on a straight-line basis.

Pension costs

Contributions in respect of both the Trust's defined contribution scheme and stakeholder pension scheme are charged to the statement of financial activities in the period in which they become payable to the scheme.

In August 2014, all eligible members of staff (not already contributing to an eligible scheme) were required to be auto-enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of financial activities in the year in which they are payable.

1 Investment income and interest receivable

	Unrestricted funds	
	2021	2020
	£	£
Income from listed investments	**77,530**	94,783

2 Healthcare establishment fees and related charges

	Unrestricted funds	
	2021	2020
	£	£
Management and consultancy fees	**59,953**	74,411
Hospital fees and related charges	**32,008,168**	21,757,390
Nursing and residential home fees and related charges	**6,819,162**	7,072,845
	38,887,283	28,904,646

Management and consultancy fees represent monies receivable by the Trust under agreements for the management of care homes owned by independent third parties and from consultancy studies carried out for independent hospitals and care homes.

3 Financing costs

	Unrestricted funds	
	2021	2020
	£	£
Interest payable on bank loans and finance leases	**347,248**	97,513

4 Healthcare establishment expenses

	Unrestricted funds	
	2021	2020
	£	£
Staff costs (note 8)	**16,336,259**	14,476,755
Premises and equipment	**5,723,093**	3,995,361
Medical and welfare	**15,483,818**	9,507,719
Governance costs (note 6)	**64,695**	51,727
Other expenses	**2,548,908**	2,111,920
	40,156,773	30,143,482

5 Charitable grants

The Trust authorised the following grants payable during the year ended 31 December 2021:

	2021 £	2020 £
In support of medical/social research		
Admiral Nurses	—	96,512
Charitable donations and share of surplus (note 19)	**43,161**	85,203
Total	**43,161**	181,715

In addition to the above grants payable, at 31 December 2021 the Trustees had made grant offers totalling £nil (2020: £45,987). As the payment of these grants is subject to certain specific conditions, they have not been accrued for in these accounts.

6 Governance costs

	Unrestricted funds	
	2021 £	2020 £
Internal audit	**15,116**	—
External audit, committee and other costs	**49,579**	51,727
	64,695	51,727

7 Net expenditure before (losses) gains on investments

This is stated after charging:

	Unrestricted funds	
	2021 £	2020 £
Staff costs (note 8)	**16,336,259**	14,476,755
External auditor's remuneration		
. Audit services – current year	**36,000**	34,200
. Audit services – prior year	**4,800**	2,686
. Other services – taxation and advisory services	**—**	1,398
Depreciation	**1,917,052**	1,064,515
Operating lease rentals	**492,202**	413,939
Hire of plant and machinery		
. Rental of non-medical equipment	**79,483**	78,291
. Rental of medical equipment	**1,403,898**	789,715

8 Staff costs and Trustees' remuneration

	2021 £	2020 £
Staff costs during the year were as follows:		
Wages and salaries	**13,783,939**	11,908,126
Social security costs	**1,191,995**	1,056,693
Other pension costs	**448,361**	503,721
Apprenticeship levy	**53,771**	44,932
Payments to employed staff	**15,478,066**	13,513,472
Payments to agency staff	**858,193**	963,283
	16,336,259	14,476,755

8 Staff costs and Trustees' remuneration (continued)

Payments to agency staff during the year reflect the national shortage of nursing staff seeking permanent employment. The average number of employees, including agency staff, was:

	Full time equivalents		Headcount	
	2021	2020	**2021**	2020
Healthcare services	**447**	410	**549**	536

The number of employees who earned £60,000 per annum or more (including taxable benefits, but excluding employer's pension contributions) during the year was as follows:

	2021	2020
£60,001 - £70,000	**4**	4
£70,001 - £80,000	**3**	1
£80,001 - £90,000	**2**	2
£90,001 - £100,000	—	2
£100,001 - £110,000	**4**	2
£120,001 - £130,000	**1**	1
£150,001 - £160,000	**1**	1
£170,001 - £180,000	-	1
£190,001 - £200,000	**1**	-

Employer contributions are made to money purchase schemes in respect to 16 (2020: 14) of those employees who earned £60,000 or more during the year. Total employer contributions to money purchase schemes in respect of such employees during the year amounted to £126,403 (2020: £113,891).

No trustee received any remuneration in respect of their services as Trustees during the year (2020: none). During the year, with the approval of the Charity Commission, J R Q Folliott Vaughan received £30,000 in respect to management services provided to the Trust (2020: £30,000).

Expenses in connection with travel and subsistence were reimbursed to 1 Trustee (2020: 3 Trustees) during the year and amounted to £193 (2020: £1,175).

The Trust has purchased insurance to protect itself from any loss arising from the neglect or defaults of its Trustees, employees and agents and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the Trust during the year totalled £10,547 (2020: £12,993) and provides cover of up to a maximum of £5 million (2020: £5 million).

The key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis comprise the Trustees, the Executive Management, the Director at each of the of the Hospitals and the Senior Manager at each of the care homes. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £1,295,958 (2020: £1,292,314).

9 Taxation

The Healthcare Management Trust is a registered Trust and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

10 Tangible fixed assets

	Freehold property £	Leasehold property £	Assets under construction £	Fixtures and fittings £	Plant and equipment £	Motor vehicles £	**Total £**
Cost or valuation							
At 1 January 2021	5,657,587	—	22,758,973	3,316,031	11,063,314	12,480	**42,808,385**
Additions	74,060	190,317	258,566	218,800	3,684,460	—	**4,426,203**
Disposals	—	—	—	—	(26,633)	(12,480)	**(39,113)**
Transfers	—	21,818,336	(23,017,539)	884,490	314,713	—	**—**
At 31 December 2021	**5,731,647**	**22,008,653**	**—**	**4,419,321**	**15,035,854**	**—**	**47,195,475**
Cost							
Deemed cost:	4,481,647	22,008,653	—	4,419,321	15,035,854	—	**45,945,475**
Valuation – 1990	1,250,000	—		—	—	—	**1,250,000**
	5,731,647	22,008,653	—	4,419,321	15,035,854	—	**47,195,475**
Depreciation							
At 1 January 2021	1,843,561	—	—	1,801,871	8,717,099	12,480	**12,375,011**
Provided in the year	100,183	365,564	—	342,514	1,108,791	—	**1,917,052**
On disposals	—	—	—	—	(26,633)	(12,480)	**(39,113)**
At 31 December 2021	**1,943,744**	**365,564**	—	**2,144,385**	**9,799,257**	—	**14,252,950**
Net book values							
At 31 December 2021	3,787,903	21,643,089	—	2,274,936	5,236,597	—	**32,942,525**
At 31 December 2020	3,814,026	—	22,758,973	1,514,160	2,346,215	—	**30,433,374**

Practical completion of the new Sancta Maria Hospital was achieved on 28 January 2021, with the hospital opening to patients on 15 February 2021. The hospital is held by the charity under a 250 year lease with the reclassification above representing the transfer to the new asset class.

The construction of the new hospital has been financed in part by a loan from HSBC Bank plc. This arrangement is secured by way of legal charges over the new Sancta Maria Hospital at Langdon Road, Swansea, the old Sancta Maria Hospital site in Ffynone Road, Swansea SA1 6DF and St Hugh's Hospital, Peaks Lane, Grimsby, DN32 9RP, as well as fixed and floating charges over all property of the Trust.

Following the move to the new hospital in 2021 and sale of the old hospital in March 2022 (see note 22 for further information), certain of the tangible fixed assets of the hospital were scrapped or disposed of. The exact value of these will be determined throughout the 2022 financial year in order for an informed disposal calculation to be processed in the 2022 financial statements.

10 Tangible fixed assets (continued)

Certain freehold property included above was revalued in 1990 at an existing use valuation of £1,250,000. Had it not been revalued, it would have been included on the historical cost basis at the following amounts:

	£
Cost	**1,023,209**
Accumulated depreciation	**(707,882)**
Net book amount at 31 December 2021	**315,327**
Net book value at 31 December 2020	**340,807**

As permitted under the transitional arrangements within Financial Reporting Standard 102, the Trust has continued to adopt a policy of not revaluing tangible fixed assets. It is likely that there are material differences between the open market values of the Trust's land and freehold properties and their book values. These arise from the specialised nature of some of the properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the Trustees, is not justified in terms of the benefits to the users of the accounts.

At 31 December 2021 the Trust had no capital commitments (2020: £5,000,000 in respect to the construction of the new hospital in Swansea)

11 Investments

	2021 £	2020 £
Listed investments		
Market value at 1 January 2021	**2,699,839**	5,144,039
Additions at cost	**937,335**	446,409
Disposals at carrying value (proceeds: £2,283,581, gains: £89,519)	**(2,194,062)**	(2,836,071)
Net unrealised investment gains (losses)	**133,218**	(54,538)
Market value at 31 December 2021	**1,576,330**	2,699,839
Cost of listed investments at 31 December 2021	**1,392,908**	2,273,345

Note: in order to comply with the requirements of the HSBC financial covenants, it has been necessary to implement a strategy of converting the investment portfolio into cash equivalents which was completed in March 2022. This conversion has been reflected on the Balance Sheet with the investment portfolio moving from Fixed Assets to Current Assets at 31 December 2021.

All listed investments were dealt in on a recognised stock exchange. Listed investments held at 31 December 2021 comprised the following:

	2021 £	2020 £
UK Managed funds	**595,116**	1,648,601
UK Bonds	**—**	63,678
UK Equities	**—**	284,923
Overseas Equities	**948,357**	644,545
Commodities	**32,857**	58,092
	1,576,330	2,699,839

11 Fixed asset investments (continued)

At 31 December 2021 the following individual investment holdings were deemed material holdings in the context of the market value of the entire listed portfolio as at that date:

Holding	Market value of holding £	% of total portfolio %
Nestle SA CHF1 Shares (Regd)	**90,357**	**6%**
Rathbone Unit Trust Mgmt - High Quality Bond S Dist	**259,882**	**16%**
Rathbone Unit Trust Mgmt - Active Income & Growth Inc	**344,744**	**22%**
Roche Holdings AG Genusscheine NPV Shares	**92,770**	**6%**
Vanguard Investments FTSE All Share Index Inc	**335,234**	**21%**
VANGUARD INVESTMENTS S&P 500 UCITS ETF Inc (GBP)	**420,485**	**27%**

12 Stocks

	2021 £	2020 £
Drugs, dressings and consumables	**568,383**	507,568
Other	**—**	6,374
	568,383	513,942

13 Debtors

	2021 £	2020 £
Fees and related charges	**1,630,843**	1,113,566
Other debtors	**75,144**	151,066
Prepayments and accrued income	**1,599,768**	1,274,138
Prepayment of equipment	**—**	1,054,109
	3,305,755	3,592,879

Prepayments include £210,000 being a deposit paid in respect to the prospective purchase of the leasehold of Marie Louise House Care Home. A decision was made post-year end to abandon this purchase. Further information has been provided in Note 22

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Sancta Maria construction creditors	**577,863**	2,313,778
Other		
Expense creditors	**2,273,421**	2,931,600
Social security and other taxes	**348,629**	289,291
Other creditors	**27,289**	240,787
Accruals and deferred income	**5,180,037**	956,921
Finance lease repayable within one year	**521,560**	74,410
Bank loan repayable within one year	**575,000**	—
	8,925,936	4,493,009

15 Creditors: amounts falling due after one year

	2021 £	2020 £
Sancta Maria construction creditors	**—**	577,863
Other		
Finance lease repayable (see below)	**1,507,663**	105,646
Bank loan (see below)	**10,925,000**	9,300,000
	12,432,663	9,405,646

Finance lease

	2021 £	2020 £
Amounts due:		
Within one year (note 14)	**521,560**	74,410
Between one and two years	**975,878**	64,380
Between two and five years	**531,785**	41,266
	1,507,663	105,646
	2,029,223	180,056

Bank loan

	2021 £	2020 £
Amounts due:		
Within one year (note 14)	**575,000**	**—**
Between one and two years	**575,000**	**—**
Between two and five years	**10,350,000**	9,300,000
	10,925,000	9,300,000
	11,500,000	9,300,000

On 18 April 2019, the Trust signed a development and commercial mortgage facilities agreement with HSBC Bank plc. This enabled the Trust to draw down up to £11,500,000 in order to finance the construction project at Sancta Maria Hospital. This was fully drawn down as at 31 December 2021.

Under the terms of the agreement, the mortgage will be repaid in consecutive instalments based on a twenty year amortisation profile with the first instalment being due on the 31 March 2022 after the full loan has been drawn down following practical completion of the hospital. The final loan payment will be made six months after the eighth anniversary of the final drawdown i.e. in January 2029.

Interest is payable at a rate of 2.5% over SONIA. In order to limit interest rate risk, HMT have entered into a Swap with a cap of 2.0%.

16 Tangible fixed assets fund

	Total 2021 £	Total 2020 £
At 1 January 2021	**21,133,374**	18,829,294
Net movement in the year	**11,809,151**	11,604,080
	32,942,525	30,433,374
Less: Bank loan and finance leases to finance the construction and acquisition of tangible fixed assets	**(13,529,223)**	(9,300,000)
At 31 December 2021	**19,413,302**	21,133,374

The tangible fixed assets fund represents the net book value of the Trust's tangible fixed assets less the value of bank loans (note 15) obtained to finance the construction and acquisition of tangible fixed assets including those acquire through finance leases (note 15).

17 Designated funds

The unrestricted funds of the Trust include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific reasons or purposes:

	At 1 January 2021 £	**New designations £**	**Released or utilised £**	**At 31 December 2021 £**
Marie Louise House building and equipment reserve	3,144	**—**	**—**	**3,144**
Coloma Court building reserve	140,000	**131,977**	**—**	**271,977**
	143,144	**131,977**	**—**	**275,121**

	At 1 January 2020 £	New designations £	Released or utilised £	At 31 December 2020 £
Marie Louise House building and equipment reserve	3,144	—	—	3,144
Coloma Court building reserve	140,000	—	—	140,000
	143,144	—	—	143,144

The Marie Louise House building and equipment reserve represents moneys set aside to finance the future purchase of equipment, and the repair and maintenance of the buildings occupied by the Trust, at Marie Louise House, Romsey.

The Coloma Court building reserve represents moneys set aside to finance the repair and maintenance of the buildings occupied by the Trust at Coloma Court Care Home, West Wickham. This reserve was topped up by £131,977 in 2021.

18 Analysis of net assets between funds

	General funds £	Tangible fixed assets fund £	Designated funds £	Total 2021 £
Tangible fixed assets	**—**	**32,942,525**	**—**	**32,942,525**
Net current assets	**1,056,795**	**(1,096,560)**	**275,121**	**235,356**
Creditors: Amounts falling due after one year	**—**	**(12,432,663)**	**—**	**(12,432,663)**
	1,056,795	**19,413,302**	**275,121**	**20,745,518**

	General funds £	Tangible fixed assets fund £	Designated funds £	Total 2020 £
Tangible fixed assets	—	30,433,374	—	30,433,374
Investments	2,559,839	—	140,000	2,699,839
Net current assets	(1,029,905)	—	3,144	(1,026,761)
Creditors: Amounts falling due after one year	(683,509)	(9,300,000)	—	(9,983,509)
	846,425	21,133,374	143,144	22,122,943

The total unrealised gains as at 31 December 2021 constitute a revaluation reserve as defined by the Companies Act 2006. Movements in unrealised gains during the year were as follows:

	2021 £	2020 £
Unrealised gains included above:		
On listed investments	**133,218**	426,494
On freehold property	**69,869**	75,539
Total unrealised gains at 31 December 2021	**203,087**	502,033
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2021	**502,033**	1,045,369
Difference between historical cost realised gains/losses on listed investments and the actual realised gains/losses thereon calculated on the revalued amounts	**(437,834)**	(494,468)
Unrealised gains (losses) on listed investments arising in the year	**133,218**	(54,538)
Difference between the depreciation charge based on historic cost and that based on the revalued amounts	**5,670**	5,670
Total unrealised gains at 31 December 2021	**203,087**	502,033

19 Share of surplus and donations to charities

The lease agreement for Coloma Court Care Home stipulates that the Daughters of Mary and Joseph will receive a share of the surplus in respect of the nursing home operations equal to 50% of the net surplus. The 2021 share amounted to £nil (2020: £nil) due to a deficit arising in the year.

The lease agreement for Marie Louise House stipulates that the Daughters of Wisdom will receive a share of the surplus in respect of the nursing home operations equal to 50% of the net surplus but will contribute 50% of any net deficit. The 2021 surplus amounted to £nil (2020: £nil).

Further donations amounting to £43,161 (2020: £85,203) were made to various other charitable organisations and beneficiaries.

20 Pensions

The Trust operates a defined contribution scheme for the benefit of the employees and contributes both to personal pension plans, stakeholder pension plans of individual employees and the NEST auto-enrolment scheme. During the year total contributions made by the Trust were £448,361 (2020: £503,721) of which £205,204 (2020: £181,034) were to the NEST auto-enrolment scheme and £243,157 (2020: £322,687) were to the defined contribution scheme.

21 Leasing commitments

Operating lease payments amounting to £489,503 (2020: £492,202) are due within one year. The leases to which these amounts relate expire as follows:

	Land and buildings		Other	
	2021 **£**	2020 £	**2021** **£**	2020 £
Operating leases which expire:				
. Within one year	**415,756**	415,756	**73,747**	76,446
. Within two to five years	**1,285,940**	1,530,134	**230,423**	355,444
. In more than five years	**—**	171,563	**—**	—
	1,701,696	2,117,453	**304,170**	431,890

22 Post balance sheet events

The sale of the Sancta Maria Hospital at Ffynone Road, Swansea was completed on 29 March 2022 for £800,000. The accounting for this transaction will take place in the year ending 31 December 2022.

Due to the impact of Covid-19 the Trustees decided not to proceed prospective purchase of the leasehold of Marie Louise House Care Home in April 2022. The £210,000 deposit referenced in note 13 will be reversed in the 2022 financial year.

23 Related party transactions

Details of transactions between the Trust and its Trustees in respect to the reimbursement of expenses and the remuneration of the Chairman are given in note 8 to these financial statements.

There were no further related party transactions during the year (2020: none).

THE HEALTHCARE MANAGEMENT TRUST

England & Wales - Charity number 292880

Accounts

The Healthcare Management Trust

Annual Report and Accounts

31 December 2020

Company Limited by Guarantee
Registration Number
01932882 (England and Wales)

Charity Registration Number
292880

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Reference and administrative information

Trustees	J R Q Folliott Vaughan (Chairman) D G Jones (Vice Chairman) Dr L Dinner (appointed 7 June 2021) N Draper M Gerold Dr Lynne Roberts N E E Stephens DL Dr C Streather G von Malachowski
Company Secretary	N Roissetter
Adviser to the Board	P Jukes
Executive management team	
Chief Executive	Tony Barrett
Chief Financial Officer	Nigel Roissetter
Chief Operations Officer – Care Homes	Mair Williams
Chief Operations Officer - Hospitals	Rob Douthwaite (until April 2020)
Chief Medical Officer	Dr Lorcan Sheppard
Chief People Officer	Antoinette Edwards
Registered and principal office	14 Queen Anne's Gate London SW1H 9AA
Telephone	020 7222 1177
Website	www.hmt-uk.org
E-mail	admin@hmt-uk.org
Company registration number	01932882 (England and Wales)
Charity registration number	292880
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC UK Bank Plc 1 Centenary Square Birmingham B1 1HQ
Solicitors	BDB Pitmans LLP 50 Broadway London SW1H 0BL

Reference and administrative information

Investment managers	Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ

When the Chairman's report was drafted for the 2019 Annual Report and Accounts, the Charity had experienced one wave of the Covid-19 pandemic and we were part way through the construction of the new hospital in Swansea. Our care homes were locked down to protect staff and residents and the two existing hospitals reconfigured to provide Covid-free "green" support capacity for the NHS. Twelve months later, on a superficial level, little has changed – we are experiencing a second (or third) wave of the pandemic, our two hospitals - St Hugh's and the new Sancta Maria - are providing Covid-free capacity, and our care homes remain on very high alert, though now again open to residents' visits.

However, this does not adequately reflect the immense amount of work and real achievements over the last twelve months.

In early 2021, we completed and commissioned the new Sancta Maria Hospital in Swansea, a watershed event for the Charity. The new hospital is now fully operational and offering diagnostic services and treatment, and in addition to serving insured and self-pay patients, is expected to make a significant contribution to reducing NHS Wales' waiting lists over the coming months. It has received general acclaim and its new MRI scanner in particular is one of the most advanced in the country.

St Hugh's Hospital in Grimsby is now configured to operate securely and flexibly in pandemic conditions. Having passed through the NHS England national block contract, it is now operating at an exceptionally high level under more conventional NHS contracting arrangements. The main focus is on providing diagnostic and surgical capacity for three regional NHS Trusts, although private demand is also strong. The experience of the pandemic has encouraged ever-closer collaboration between the hospital and NHS commissioning groups, and we expect the great majority of activity to continue to be supporting the regional NHS for the foreseeable future.

It is worth noting that, throughout the period, our hospitals had no recorded cases of hospital acquired Covid-19, MRSA or C Diff.

In our care homes, the focus throughout the year has been supporting and protecting residents and staff, dealing with the Covid risk while seeking wherever possible to minimise the social and human impact on residents and their relatives. As reported last year, we sourced our own PPE and testing equipment from the start rather than relying on supply from the public sector, and while our care homes have suffered significantly from the repeating waves of infection, we are confident that we have done everything practicable in response.

We established precautionary PCR, POCT and Lateral Flow testing programmes across both homes, as well as both hospitals, to protect residents and staff and to inform the measures taken to deal effectively with cases as they arose. In the longer term, our care home response must be based on vaccination as well as testing and isolation and at the time of writing, 96% of our care home residents have been vaccinated and 95% of care home staff either have been or are booked to be vaccinated.

Through this exceptional year, though inevitably the bulk of our attention has been devoted to dealing with the pandemic, the Charity has continued wherever possible to implement its longer term strategic objectives.

The Charity is unusual for a care organisation of its size in having expertise both in care homes and acute hospitals. For some years, an important element of the Board's longer term strategy has been to apply this mix of skills to expand the Charity's involvement in higher dependency residential provision, with a greater focus on dementia care. Though the new hospital was our first priority, work continued in furthering the Charity's wider strategy and, with the successful completion of the new hospital, we intend there now to be an increased focus on expanding our care home portfolio over the next few years.

We intend to acquire and expand Marie Louise House, our leased care home in Romsey, though this project has been delayed by regional planning issues and the pressures of dealing with the Covid pandemic.

We have agreed terms to lease operate a new 64-bed specialist dementia care centre in Littlehampton, West Sussex, now under construction and expected to open in April 2023. We expect to add further similar care homes, most probably on lease operate contracts, over the next few years.

Our central executive team and Board have been working and meeting on a remote basis through the pandemic lockdown. The lessons learned from this have led us to conclude that the most effective future use of management and Board resources will be a hybrid of office and work at home, and a mix of face to face and remote meetings. We have reviewed our governance procedures and decided to amend the Board committee structure to further enhance our management of risk, with a Finance Committee replacing the Audit Committee, and a new Clinical Governance Committee.

I am very sad to have to report that one of our Trustees, Gerda Goldinger, died suddenly of cancer in December 2020. Her contribution to Charity and the Board was highly valued, if tragically shortened, and she is much missed by her colleagues. Our thoughts are with her husband and two sons.

It is, though, very pleasing to be able to report that Dr Lila Dinner, Chief Medical Officer at the Royal National Orthopaedic Hospital in Stanmore, North West London, has agreed to join the Board as a Trustee. Her involvement will add significantly to the Board's professional expertise, not least in clinical governance, clinical risk and related matters. We continue to seek opportunities further to strengthen the Board.

It will be no surprise that the Covid pandemic has had consequences for our financial performance. While elective surgery stopped in March 2020, the NHS block contract with the independent sector, which provided a pool of additional resources for the NHS at a time when the perceived risk of the NHS being overwhelmed was at its highest, covered the costs to independent hospitals, like ours, of remaining fully available to the NHS while being, at least initially, precluded from undertaking any other work. Furloughing has also been of real value to the Charity and our staff, as it has in other sectors, in allowing us to avoid layoffs of staff that would have been otherwise inevitable.

However, many other financial impacts of the pandemic could not be so mitigated. The capacity of our hospitals has been significantly affected by Covid infection prevention and control measures and even after reconfiguration this remains the case. Site and supply problems, both partly though not entirely resulting from the pandemic, delayed completion of the new Swansea

hospital by a little over three months. The care homes have suffered from practical and other obstacles to attracting new residents and Marie Louise House is still well below normal occupancy levels, though now recovering.

In the circumstances, the financial results for the year to December 2020, which would have been very disappointing in normal conditions – a loss on activities of £1.2 million – represents a considerable achievement, combining as it does with a positive cashflow of £1.0 million from operating activities. Throughout, we have had the unwavering support of HSBC, our relationship bank, who have enabled us to proceed, as planned, with such a major investment as the new Sancta Maria Hospital.

It would be difficult to overstate just how much the Charity and its beneficiaries have relied on, and benefited from, the quite exceptional effort and commitment of its management and staff throughout the Covid pandemic. To say that the Trustees recognise and are grateful for this sounds somewhat inadequate, but we do, and we are. On behalf of the Trustees, I would like to thank everybody working in the charity for the exceptional efforts, and in many cases sacrifices, they have made for the charity and its beneficiaries over the past months. There are solid reasons to believe that the worst of the Covid pandemic is now behind us and in the round, thanks to those efforts, the Charity has come through it in good shape.

John Folliott Vaughan
Chairman

Date of Approval: 29 September 2021

The Trustees, who are directors of The Healthcare Management Trust (the "Trust") under company law, submit their annual report and the audited financial statements for the year ended 31 December 2020.

About The Healthcare Management Trust
The Trust was established in 1985 with the aim of relieving sickness, both physical and mental, and the preservation and protection of good health.

The Trust delivers on these core objectives through:

- Diagnosis, treatment and care in its acute hospitals.
- Social and nursing care delivery at its care homes.
- Supporting other charities within the health and social care sectors with consultancy and management support services.
- Engaging with the communities within which the Trust is based to improve quality of life outcomes and life expectancy.
- The funding of pure and applied research grants in the fields of health and social care.
- The provision of community development grants for health and social care projects.

The Trust raises no voluntary income, the Charity's work is funded solely through its operating income, investments and reserves.

We provide access to all, without regard to the route patients and residents take in coming to us.

The Trustees have regard to the general guidance provided by the Charity Commission when they review the aims and activities of the Trust and the provision by the Trust of public benefit.

The Trust conducts its work based within the context of a set of guiding principles:

- A belief that each of our patients, residents and their families are unique individuals, and we place them at the heart of everything we do and seek to achieve.
- Respect for all faiths and a belief that there is a special pastoral dimension in caring for others which involves a combination of spiritual, emotional, physical and ethical elements.
- The need to treat and care for each of our residents and patients, their families, friends and our colleagues with the respect and dignity we ourselves would expect to receive.
- An acknowledgement of the physical, mental and social vulnerabilities that our residents and patients may experience, and the absolute responsibility placed upon us to safeguard them at all times.
- A recognition that the settings in which we provide care for the older person represent each resident's home and we respect this.
- An absolute belief in the sanctity of life and the need for dignity at its end.

About The Healthcare Management Trust (continued)

- The need to involve each patient and resident, their family and carers in decision making and planning with regard to their care with the need to be open and honest.

Our Strategic Objectives

Our strategic objectives are as follows:

- To deliver high quality, evidence based, safe patient/resident centred treatment and care.
- To develop our staff's skills and competencies.
- To work with our partners and stakeholders for the benefit of our residents and patients.
- To value the ethos and mission of the founders of our hospitals and care homes.
- To play an active role within the fields of health and social care contributing to the development of national policy and improving local provision.
- To provide strategic, management and operational support to other charities operating within health and social care in order that they may grow and develop sustainably.
- To constantly improve the quality and range of services we provide to our users.
- To contribute to the health and wellbeing of the geographical communities we work within, fulfilling an active role in the leadership and delivery of healthy active and wellbeing programs.
- To fund research within the field of dementia and other areas of health and social care.
- To support individuals who suffer from isolation and loneliness within the geographical communities we work within.

Key Facts and Numbers

During the year:

- As a direct result of the Pandemic, the Charity experienced a 14% overall reduction in income.
- The Trust employed 536 staff, equating to 410 whole time equivalents.
- 2,452 non-Covid NHS patients were treated in support of the English National Pandemic Response.
- Overall, 60% of patients treated at the Trust's hospitals were funded by the NHS, at the same cost to the NHS had NHS hospitals provided the diagnosis and treatment.
- Admitted patient activity equated to 5,947 episodes, a reduction of 43% on the previous year as a direct result of the Covid restrictions placed upon operators.
- Day cases represented 71% of admitted patient activity.
- The average length of stay for patients within our hospitals was 1.21 nights.

Key Facts and Numbers (continued)

- Our hospitals had no recorded cases of hospital acquired Covid 19, MRSA or C Diff.
- Our care homes provided 5,063 weeks of care, equating to 35,441 resident nights, with an overall average occupancy of 90% across our care homes. These numbers in occupancy terms represented a fall of 8% in comparison to the previous year for reasons directly attributable to the impact of Covid.
- 11.6% of residents accommodated in our care homes were funded in whole or part by the state.
- We provided financial bursaries amounting to £41,000 to residents within our care homes.
- We supported, at less than commercial cost, 14 charities in their management, governance oversight and care management, within 17 care homes encompassing 346 elder/physical/neurological disability care beds. Our charitable subsidy of this work equated to £140,000.
- We distributed £141,163 in community development grants.
- The total value of our wider charitable work, listed above, equated to £322,163 for the year, representing 1.1% of income.

Covid-19 Pandemic

2020 proved to be an extremely challenging year for the Charity, with the impact of the Pandemic being felt from a care, clinical and commercial perspective. Within our care homes, residents who reached the end of their life's journey suffered the impact of the lockdown in terms of socialisation with their families. This was distressing for residents, families and our staff. Within our hospitals, our staff had to develop new ways of working in order to maintain services to our patients. Our staff and partners were magnificent in meeting the challenges that the Pandemic brought, and the Trustees wish to extend their thanks to the entire HMT Team.

In late 2019, the first signs of the impending Covid-19 pandemic began to appear in China and at the end of January 2020 the first cases were reported with the UK.

Given the nature of the Charity's work, in particular the vulnerability of the residents of our care homes, HMT tracked the developing situation closely and in early March 2020, in advance of the national lockdown announced on 23 March, we activated an organisational wide Business Continuity Plan. This included a Gold Command Structure addressing the strategic implications and decisions, together with an allied Silver Command, encompassing representatives from each of our hospitals and care homes, which dealt with operational matters. Both these groups met seven days per week until late summer 2020 and continue to operate and meet at least weekly at the date of this report.

We ensured that the Charity's Trustees were kept fully informed initially by daily briefing sessions from the Gold Command to the Charity's Chairman and a detailed weekly risk management and operational report to all Trustees. From autumn 2020, reports have been provided to our Trustees on a monthly basis, with the Chairman briefed weekly by the Chief Executive. A number of early strategic decisions were taken, based on safeguarding risk assessments and implemented in early March 2020:

Covid-19 Pandemic (continued)

- To exclude visitors from entering our Care Homes.
- To provide appropriate PPE to be worn by staff across our Care Homes and Hospitals.
- To cohort residents and staff within our Care Homes.
- To insist that all returning residents or new admissions from the NHS had been proved Covid-19 negative by testing prior to their return/admission.
- To suspend all routine patient activity within our hospitals
- To suspend all staff travel between hospitals/homes and by central office staff to our hospitals/homes.
- To screen all staff at the commencement of every shift based on symptom assessment.
- To temporarily close our London Head Office.
- To institute video conferencing and other remote working technology across the organisation.

We reviewed our original strategic and operational plans for 2020 and revised these to focus on:

- Safeguarding our residents, patients and staff from Covid-19.
- Utilising social and other media channels to inform prospective residents and patients about the measure we have taken to create Covid-19 safe Hospitals and Care Homes.
- Returning our Hospitals and Care Homes to pre Covid-19 levels of activity.
- Capitalising on the renewed interest during the Pandemic on careers in Health and Social Care.
- Delivering our new hospital in Swansea.

During late March 2020, we sourced antigen testing from an independent laboratory to provide a PHE approved test, and from early April 2020 we blanket tested residents and staff within our care homes. This initial testing program, during the first wave of national infections, indicated that we had an outbreak affecting both residents and staff in one of our care homes, with every positive test result, resident or staff member, being asymptomatic. A second outbreak occurred at our other care home, and again the outstanding feature was the number of asymptomatic positive test results.

In late April 2020, we extended our independent testing programme to the staff at our hospitals and to date have experienced isolated positive results.

Within both our care homes and hospitals, we maintained our independent Covid-19 testing programme on a fortnightly basis, until replaced by Government provided tests in our care homes and English hospital from mid-August onwards.

Covid-19 Pandemic (continued)

We further sourced approved Covid-19 Point of Care Testing systems for each of our hospitals and care homes, designed to deliver a test result in 20 minutes. These are a valuable adjunct to our screening programme. We have also developed our own test and trace app for staff use across HMT.

In July 2020 we made the decision, having undertaken an appropriate risk assessment process, to reintroduce limited family visiting with our care homes. Both residents and families were missing the social interaction element of visiting and, whilst physical distancing was paramount, the psychological benefit of residents interacting with their families was significant. We also considered the reintroduction of visiting to be an important part of our safeguarding of the health and wellbeing of residents. When the nation entered its second lockdown, unfortunately such limited visiting was again prohibited but we endeavoured to make the best use of video calls, and our teams worked to deliver the best activity programmes possible given governmental guidelines, in particular over the Christmas period when family contact is so valued by our residents.

Despite all our infection control efforts and strict infection control processes, when the Kent variant took hold nationally in the latter part of the year, we experienced a further outbreak in each of our care homes. The timings of these outbreaks appeared to follow the rise in infections in each locality and it was not until late February 2021 that both outbreaks were eliminated.

The governmental 2021 road map and guidelines for taking the nation out of lockdown meant that face to face visiting could recommence for residents and outdoor visits with relatives have become possible, we implemented these in line with the guidelines and these have had an extremely positive impact on both resident and family wellbeing.

Working in concert with the Independent Healthcare Providers Network, both of our hospitals joined the respective NHS England and NHS Wales Covid-19 contracts. These placed the whole of each hospital's capacity at the disposal of the NHS, being reimbursed at cost for this commitment. Given both the speed with which the Pandemic developed nationally and the speed at which the NHS contract was developed and entered into, both hospitals made extensive preparations to receive Covid-19 positive patients, including training administrative staff as care support workers. In the event, the respective local NHS Trusts did not become overwhelmed, so neither of our hospitals took any Covid-19 positive patients or any step-down admissions, though the uncertainty of demand meant we did not furlough any of our administrative support staff until late June 2020. In addition, during the initial wave, both hospitals supported the NHS as super clean Covid-19 free environments by undertaking non Covid-19 urgent diagnostics and surgical interventions.

Our hospital in Wales was released in early July 2020 from its NHS Wales contract and refocused on undertaking private patient activity within the Welsh clinical guidelines. The additional infection control processes required as a result of Covid-19 reduced effective operational capacity and some patients have been reluctant to undertake planned treatments.

Our hospital in England continued to be part of the NHS England Covid-19 national contract which from the autumn allowed an element of private patient activity to recommence provided clinical urgency guidelines were followed. From 1 January 2021 the hospital moved onto the NHS England glide path contract, which meant that the at cost formula was gradually removed until, by 1 April 2021, individual NHS patient billing took over.

Covid-19 Pandemic (continued)

The initial clinical focus in England has been urgent diagnostics and cancer care and the range of procedures undertaken was adjusted to support this, and our MRI service extended to a seven day a week operation.

From September 2020 the hospital, working with 3 NHS Trusts, refocused on activity to reduce the lengthening NHS waiting lists across a wide range of clinical specialities.

The NHS England Executive has been proactive in ensuring that NHS Trusts worked to obtain the best utilisation from the Independent Sector. This has been welcome as some local NHS structures did not always work in a way that achieved the best use of the resources offered.

At both our hospitals, we have experienced an upsurge in demand from self-pay patients in the latter part of 2020, which we believe reflects the prevailing NHS waiting times.

Given the impact nationally of the pandemic within the care home sector and the resulting press coverage, we found that families have been reluctant to place relatives into a care home setting, and as a result we have seen a reduction in our normal occupancy levels at both of our homes. We have instituted a positive news campaign via our social media channels to mitigate the impact on HMT and to stimulate admissions. Despite this, occupancy remains below pre pandemic levels, and we believe it will not return to normal levels until the end of 2021 or into the early part of 2022.

We continued to safeguard our staff by ensuring adequate stocks of PPE and, when it became clear that our BAME staff were exposed to higher Covid-19 risks, we undertook an individual risk assessment with each BAME staff member. During the pandemic national lockdowns, a small number of staff fell into the shielding category, and we supported these individuals with welfare calls from our Human Resources team on a weekly basis. With the end of shielding requirements in 2021, we have continued to risk assess and support vulnerable staff in the workplace. We have worked to mitigate the impact of the pandemic on our staff's mental wellbeing by providing access to additional support mechanisms including individual and group psychological therapy.

The impact of the pandemic, with its associated reduction in revenue and increase in costs, has been actively managed throughout. However the impact and subsequent recovery mean that it will take a significant period to return our finances to the pre Covid-19 point.

National Covid Vaccination Programme

At the time of this report, all our care home residents who wished to take up the offer of vaccination have now received both doses of the vaccine. This equates to a resident vaccination rate of 97%.

The majority of our staff took up the offer of vaccination when offered and by the time of this report all of those staff members will have received both doses of the vaccine.

Across the Charity, 4.2% of staff have declined to date to accept Covid vaccination and we are currently taking a persuasive approach to encourage them to take up the vaccine in advance of any legislative changes that may take place.

Achievements, Performance and Future Plans

In July 2020, the Charity Commission alerted the chairmen of charities and their chief executives to significant governance failings they had identified at several large charities following several investigations into serious incidents.

The Commission decided to review the governance processes of all large charities, firstly via questionnaire followed up by a focus meeting.

Nominated Trustees and the Charity's executive subsequently met with the Charity Commission in January 2021. The outcome of the process was that the Commission was satisfied that the Charity had appropriate governance policy, systems and processes in place.

As a Charity we had planned to undertake a review of our Governance policy and systems as part of our 2020 Business Plan and we accelerated this work with the support of our specialist Charity Legal Advisors at Bircham Dyson Bell Pitmans. The outcome of this review resulted in the decision by Trustees to seek to further strengthen the skill set of the Trustee body by recruiting additional Trustees with clinical risk skills and experience appropriate with the charities area of operations.

We also took a critical look at our Trustee Board Sub Committee structure to ensure it remains fit for purpose and reflects the complexity of the Charity. As a result Trustees decided to create 2 new board sub-committees. A Finance Committee has taken on the duties of the previous Audit Committee, with wider responsibilities in the area of financial and commercial risk. A Clinical Governance Committee has been established to deal with clinical risk and related matters. These new sub-committees will enable Trustees to manage risk arising from the Charity's activities in more depth.

Tragically in December 2020, the Charity was informed of the sudden death after a short illness of Gerda Goldinger, who had served as an HMT trustee for a number of years. The skills and contribution that Ms Goldinger brought to the trustee body in the area of law and regulatory matters will be sorely missed and steps to recruit a Trustee to replace Ms Goldinger have commenced.

Safeguarding beneficiaries is a key responsibility of all charities and we have enhanced our training regime to reflect this.

The safety and quality of diagnosis, treatment and care that the Trust provides to residents and patients across its care homes and hospitals is the Trustees' priority and the Trust's ethos and philosophy reflect the core values which underpin the delivery of this care.

The Trustees recognise that the staff of the Trust are the single most important lever for delivery and change and we continue to review our salaries, terms and conditions and staff development in order to recruit and retain staff who identify with the mission of the Charity.

Significant work streams continue with the goal of creating a paperless diagnostic, treatment and care environment within our hospitals. In spite of the impact of the pandemic, we achieved a major upgrade of our Hospital Patient Administration System during the year.

We created and moved all of our trading sites onto a single accounting system and database and installed a single telephone system across the Charity.

Achievements, Performance and Future Plans (continued)

The Trustees continue to seek ways to improve the care and support delivered to the residents in the Charity's care homes, and their families. In order to promote an engaged and holistic lifestyle for our residents, the Trust continued its work to strengthen the range and delivery of individualised and home-wide resident activities available within each of our homes.

The Trust continues to promote and support the development of its care home workforce skillsets by supporting the training of staff to achieve Registered Nurse and Associate Practitioner status. During 2019, Trustees also recognised the need to develop prospective future care home managers and, therefore, the Charity is supporting the attainment of the Level 5 Registered Manager Award for Deputy Managers and Unit Managers within its care homes.

At both our homes, residents, families and staff are fully engaged and participating in a wide range of dementia research projects which unavoidably have been curtailed by the pandemic but are set to recommence once the national lockdown is fully removed.

The Trust has continued to commit to developing its range of community projects to impact on the increasing loneliness experienced by a significant number of the elderly who live alone, based around our care homes, with the homes reaching out to individuals referred to us by local service groups. Luncheon and activity groups operate at no cost to participants, and staff members visited referred elderly in their own homes, providing opportunities for human interaction and conversation. Such face-to-face activity was prevented during the national lockdowns, but we plan to reinstitute these initiatives once the national lockdown is fully removed.

St Hugh's Hospital presently has a Requires Improvement rating from the CQC and the Trust, its workforce and consultant partners continue to work to secure a Good CQC rating. Importantly, within the current rating, Care continues to be judged to be Good and feedback from patients with regards to care and clinical outcomes remains extremely positive, with the numbers of patients choosing St Hugh's for their diagnosis, treatment and care testament to this.

We implemented the Independent Healthcare Providers standards for doctors' practising privileges as outlined in their Medical Practitioners Assurance Framework standards and expectations. This is designed to ensure that the governance of medical practice in HMT Hospitals meets national recording of doctors' data to ensure information is kept up to date.

The principles of the national Get It Right First Time are embedded into our quality audit system.

The Trust continued to risk assess its existing hospital accommodation in Swansea and invested to ensure that services were maintained at the highest level until the new hospital came online in early 2021.

Our treatment outcomes and patient satisfaction ratings continued to be consistently above national comparators, indicating that patients are benefiting from, and value, the services they receive at the Trust's hospitals. These findings reflect the skills and commitment of all the Trust's workforce and its Consultant Partners. The Trustees thank them both individually and collectively.

Achievements, Performance and Future Plans (continued)

Investing in Buildings and Services

The development of a new state-of-the-art flagship hospital in Swansea is a priority for the Trust, and planning permission for the SA1 Waterfront development was granted in April 2018. A finance partnership was agreed with HSBC and formalised in early 2019. A tender process was conducted to secure a construction partner and Keir Construction Limited was appointed in late 2018, with construction commencing in March 2019.

The impact of the Covid-19 pandemic and the implications of social distancing in the construction sector, compounded by building materials and specialist equipment delays, again as a consequence of the pandemic, resulted in delays to the project, with the hospital being handed over by the contractor and welcoming its first patients on 15 February 2021. This was a major milestone for the Charity and all the signs indicate that the hospital will not only offer much needed new accommodation and services but will be commercially successful.

The Trust has reached an agreement to purchase and extend, subject to planning, Marie Louise House, the care home it operates in Romsey. The planning process has been delayed by an issue of nitrate levels in ground water runoff polluting the Solent, which is an issue affecting all planning applications in Hampshire. The length of this planning delay is not known at the time of this report.

In early 2021, the Charity entered into a development agreement with Brackley Developments for the construction of a 64-bed specialist dementia care centre located in Littlehampton, West Sussex. This facility will be lease operated by the Charity, with construction commencing in the summer of 2021 and is expected to come on stream in April 2023.

The Charity has a number of other opportunities for similar care centres in the South and it is actively progressing these potential developments.

The Charity regularly monitors, and will bring forward when appropriate, opportunities to develop additional facilities on the sites of its existing hospitals and care homes.

Wider Charitable Impact

In addition to the direct impact of the diagnosis, treatment and care the Trust provides in its homes and hospitals, the Trustees have also considered how the impact the Trust makes within the wider field of health and social care might be extended.

Supporting other Health and Social Charities

The Trust supported the following charities during the year, who together operate 346 resident beds, by delivering health and social care operational management and consultancy services. The Trust delivered some of this support on a pro bono basis and, when a charge was made to the receiving Charity, this was set at a level which reflected a charitable subsidy supported from the Trust's operational surplus:

The Jesuits in Britain – Care Homes in Boscombe and Preston.

The Sisters of the Good Shepherd

The Sisters of Mercy of the Union of Great Britain - St Teresa's – Haverfordwest.

The Sisters of Mercy of the Union of Great Britain St Michael's Care Home and St Teressa

Wider Charitable Impact (continued)

Supporting other Health and Social Charities *(continued)*
The Ursulines of Jesus - Stella Maris Care Home - Swansea.

The Sisters of the Cross and Passion - Cross and Passion Care Home - Lytham St Anne's.

The Daughters of the Holy Spirit - St Joseph's – Olney.

The Little Company of Mary

The Religious of the Assumption - St Catherine's – London.

The Poor Servants of the Mother of God - Francis Taylor Foundation.

The Canonesses of St Augustine

Research and Community Grant Funding
Whilst the Trust experienced a challenging year financially, the Trustees felt that it was important to continue the Charity's grant funding activities. Therefore, the Trust continued to fund research projects, currently focusing on projects in the field of dementia.

The following projects are currently supported:

- Alzheimer's Society/University of Sheffield – Keeping talking longer: speech therapy to help people living with dementia stay in conversation.
- Alzheimer's Society/University of Newcastle – Cognitive lifestyle & dementia: Investigating the impact of an active lifestyle on brain health over time.
- Alzheimer's Society (University College London PhD) - Volumetric MRI and patient-related income measures in behavioural variant fronto-temporal dementia.
- Swansea University - Understanding and improving emotional wellbeing of older care home residents.
- Swansea University - Enhancing person-centred care and wellbeing for older residents with dementia through intergenerational practice.

Community Development Grants
The Charity continued its support of the Swansea Musical Memories Choir for dementia sufferers and their carers, making an annual grant of £9,000 to support the running costs of this 60-member choir. Whilst the Choir is in abeyance during the national Welsh lockdown they plan to reopen and meet 2 times per week when the guidelines allow.

We also continued our financial support to Friendship at Home with a £36,000 annual grant. This is a community interest organisation based in Grimsby which works to address the impact of isolation and loneliness in the elderly. Whilst face-to-face activities ceased during the pandemic, remote support via video and voice calls increased, as did support with shopping and other activities.

Our Stakeholders

Residents and Patients

Our residents and patients are at the centre of all we do as a Charity as we focus on providing them with the best possible care, diagnostics and treatment. We actively seek out and value the feedback and opinions that they provide us which in turn drives us to improve the quality of our services.

How we engage:

- Resident and Patient Satisfaction Surveys.
- Resident and Family Forums.
- Patient Forums.
- Social Media and our websites.
- Regular Trustee and Executive visits to our care homes and hospitals.

Our People

Our people are our biggest asset in delivering care, diagnostics and treatments to improve the outcomes for the people and communities we serve. Seeking the views of our employees is key to making HMT a place that is inspiring, rewarding and a healthy place to work, and one that values and promotes inclusion and diversity, recognising skills and talent, developing individuals and teams.

We engaged with our staff through:

- Elected Staff Consultative Forum.
- Annual Staff Survey.
- HR Clinics.
- HMTeam app.
- Annual CEO Brief and quarterly video broadcasts.
- Monthly staff briefs.
- Regular Trustee and Executive visits to our care homes and hospitals.

Health and Social Care Partners

Our care homes provide a home and care to self-funding and socially funded individuals, and we value all our residents equally. Our hospitals provide healthcare services to a wide range of providers including private medically insured, NHS and self-funding patients. The consultants who work with us deliver research-based care based on national standards delivering the best outcomes.

Our Stakeholders (continued)

Health and Social Care Partners *(continued)*
We value all our relationships, and we seek to work with them in a spirit of cooperation to achieve the best outcome for patients.

We engage with our health and social care partners through:

- Care Home Managers engaging directly with Health and Social Care stakeholders in each locality.
- Hospital Directors and our Chief Medical Officer engaging directly with local NHS Trusts.
- Maintaining relationships with NHS key stakeholders at all levels.
- Holding regular meetings with private medical insurers.
- Participation in national quality schemes and the publication of quality reports.
- Regular meetings and communication with hospital medical staff.

Our care homes provide a home and care to self-funding and socially funded individuals and we value all our residents equally.

Our hospitals provide healthcare services to a wide range of providers including private medically insured, NHS and self-funding patients. The consultants who work with us deliver research-based care base on national standards delivering the best outcomes.

The Communities we are located within
We actively engage with the communities that we are based within by offering employment opportunities, ensuring accessibility to all ethnicities, genders and disabilities. We work within these communities to promote healthy lifestyles, combat loneliness in the elderly and support the carers of individuals suffering from dementia.

We engage with local communities through:

- Funding community charities and other projects to reduce loneliness in the elderly, as well as supporting the carers of individuals suffering from dementia.
- Community dementia outreach programmes delivered at no cost to recipients.
- Apprenticeships offering paid learning opportunities.
- Supporting community events and local initiatives delivering.
- Working with local schools, voluntary bodies and service organisations to deliver health knowledge and improve healthy lifestyle outcomes.
- Working with schools on social interaction projects that interface with the national curriculum.

Our Stakeholders (continued)

Suppliers

We seek to develop collaborative partnerships with our suppliers which are key in developing a strong and proactive supply chain, minimising the environmental impact of the care, diagnostics and treatments we deliver.

We work in partnership with third party research commissioners and universities on research projects that enable better understanding and new approaches to health and social care.

We engage with our suppliers through:

- Regular meetings with suppliers.
- Sharing of information.
- Supplier code of conduct.
- Periodic supplier reviews.

Government

Our purpose is to improve the health and social care outcomes of the people and communities we serve. Therefore, whilst we are not a campaigning charity, it is essential that we ensure that we are aware of and keep up to date with governmental priorities, policies and regulatory changes across health and social care. We engage with the government and local authorities at all levels.

- We engage with government through: Industry bodies, particularly the National Care Forum and Independent Healthcare Providers Network.
- Participation in government consultations.
- Sharing research findings and best practice.

Section 172 statement

As a company limited by guarantee, the Charity is subject to the provisions of the Companies Act 2006. Accordingly, the Board of Trustees provides this statement describing how it has had regard to the matters set out in section 172(1) of the Companies Act 2006. The Board believes that it has acted in the way it considers would be most likely to promote success of the Company for the benefit of its members as a whole, having regard to section 172(a) to (f).

a. The likely consequences of any decision in the long term.

   Trustees ensure, having properly considered the information available to them that their decisions are in the best interests of the Charity and its beneficiaries, medium and long-term outcomes and the importance of maintaining its reputation as a health and social care provider. The decisions of Trustees are shaped by the wider strategy of the Charity and how they can best support the delivery of the Charity's long-term strategy.

Section 172 Statement (continued)

b. The interest of the company's employees.

Our Trustees recognise the importance of the Charity's employees to the long-term success of the Charity and recognise that the development of individuals and teams is central to its success.

The Charity has a programme to develop its leaders of the future as well as its workforce, achieved through apprenticeships and other education and skills acquisition programmes.

As the impact of Covid became apparent, Trustees through the Chairman met, and continue to meet, regularly with the Executive and Gold Command Team. Trustees recognised that proactive and timely action was required to protect the Charity's beneficiaries and long-term future. As the pandemic progressed, staff were placed onto the Government's job retention scheme. After considering the impact on our people and their families, Trustees decided to bridge the gap in the Government scheme so that staff furloughed received 100% of their salaries.

c. The need to consider the Charity's business relationship with suppliers, customers and others.

The Charity places its residents and patients at the heart of everything it does, working to ensure the highest level of care, diagnostics and treatments. Trustees review all resident, patient and stakeholder feedback insights gained from annual surveys and other methodology. The Charity develops relationships with all stakeholders, including suppliers, regulators, the NHS, local authorities and government to understand how the Charity can work together with them.

d. The impact of the Charity's operations on the community and the environment.

Trustees recognise the importance of climate change and the need to make changes to our ways of working to mitigate the Charity's operations on the environment. The Charity is therefore developing a strategy across all areas of our operations to reduce its environmental impact were feasible.

The Charity is working to reduce its dependence on single use plastics, reduce waste and pursue an energy strategy that places sustainability at its heart.

e. The desirability of the Charity maintaining a reputation for high standards of business conduct.

The reputation of the Charity is key to its success as a health and social care provider. Central to this is the promotion of the Charity's ethos both within the Charity and the community.

f. The need to act fairly as between members of the Charity

When determining the Charity's long-term strategy, Trustees consider the impact on its beneficiaries, employees, stakeholders and partners. Our Trustees ensure that decisions are in the best interests of the Charity, taking into account the needs of these groups and the importance of maintaining its reputation.

Streamlined Energy and Carbon Reporting

The UK Government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019 with this being HMT's first time adoption of disclosures on energy and carbon.

The table below represents HMT's energy use and associated greenhouse gas (GHG) emissions from electricity and fuel in the UK for the year ended 31 December 2020. The data covers all of our sites in the UK.

UK Greenhouse gas emissions and energy use data for the period 1 January 2020 to 31 December 2020	
Energy consumption used to calculate emissions (kWh)	4,649,644
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	600.47
Owned transport – Van	0.79
Total scope 1	601.26
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	350.41
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	7.11
Total gross emissions in metric tonnes CO2e	**958.78**
Intensity ratio	
Tonnes CO2e per employee	**1.79**

Emission factors are based on Government published 2020 GHG conversion factors.

SECR Methodology Statement 2020

The SECR submission has been compiled using the 2019 HM Government Environmental Reporting Guidelines. Emissions have been grouped according to the GHG Protocol Corporate Standard. We have used the following data sources for the report:

- Energy and Fuel Data – Energy supplier billing data and electricity half hour data;
- Transport Data – Company mileage records; and

CO2 emissions have been calculated using the 2020 UK Government Conversion Factors for Company Reporting. Emissions have been calculated for the company financial year to 31 December 2020.

Financial Review

2020 started strongly with activity at both hospitals and care home occupancy all being ahead of 2019 and our 2020 budgets. However, due to the Covid-19 pandemic hospital activity and care home occupancy declined significantly.

In addition to a reduction in our income, the pandemic also had a significant increase in our cost base due to decision to fund regular covid testing from April, the supply of additional PPE and other associated expenditure to ensure that our hospitals and care homes delivered as far as possible a Covid-secure environment for staff, patients and residents.

The pandemic also had a significant impact on the construction of our new hospital in Swansea with practical completion being put back from September 2020 to finally being achieved in January 2021. During the year we expended a further £12.0m bringing the overall cost incurred on the project to £22.8m, of which £9.3m was funded from a loan facility with HSBC.

Working capital is showing a negative of £1.0m as included within this is £2.3m of creditors in relation to the new hospital at the year end. The nature of the drawdown of the development loan facility is such that the entirety of this creditor balance was funded by a drawdown of the facility in early 2021.

The impact on the full year financial performance of the pandemic was stark. Our income in 2020 fell by 14% to £29.3m compared to £33.8m in 2019 resulting in net expenditure before losses on investments of £1.2m compared £0.1m, in 2019 - a reduction of £1.1m in the year.

We would like to thank HSBC for their continued support and understanding during this extraordinary and challenging period. Due to the impact of the pandemic and the delay in the practical completion of the new hospita,l HSBC have deferred the testing of the leverage and debt service ratios by a year to 31 March 2022.

The Trustees apply a close focus to the adequacy of the Trust's working capital and consider that its assets and available funds are adequate to fulfil its obligations.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) applicable to charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), in preparing the annual report and financial statements of the Trust. The financial statements comply with current statutory requirements and with the requirements of the Articles of Association.

Reserves

The Trustees review the Trust's reserves position regularly to ensure that it has adequate funds to support its on-going work, taking into consideration the assets required to provide a high standard and quality of care for its service users, reasonable working capital and any unforeseen circumstances.

In the most recent review, in December 2019, the Trustees considered it was appropriate to maintain the Trust's reserves policy of holding £3,000,000 of free reserves.

As at 31 December 2020 the amount disclosed on the Balance Sheet as General Funds (or free reserves) was £846,425. However, this value is understated in that £2,200,000 of the creditor balance of £2,313,778 in relation to the construction of the new Sancta Maria Hospital was funded in early 2021 from the HSBC loan facility. By adjusting the presentation of the General

Financial Review (continued)

***Reserves** (continued)*
Funds to allow for this the balance increases to £3,046,425. This is in line with the Trust's reserves policy.

In addition, the Trust had designated reserves of £143,144 as a building and equipment reserve for Coloma Court and Marie Louise House.

The Trustees are confident that there is sufficient flexibility in the reserves to maintain and develop the Trust's operations.

Investments
The majority of the Trust's reserves have been invested with the support and advice of professional investment managers. The Trustees have adopted an investment strategy with a "moderate" risk profile, with this risk being mitigated through diversification. The investment performance and investment strategy are monitored on a regular basis.

Risk management
The Board of Trustees has a responsibility to establish a risk management structure, policy and strategy for the Trust. In addition, the Trustees review the high-level risks to the Trust at both strategic and operational levels.

Risks are identified and prioritised based on the likelihood of an event occurring and the impact of that event should it happen. All identified risks are recorded at either central or local level and these are reviewed informally on a continuous basis and formally biannually. Controls and mitigation strategies are identified for each risk to either reduce the impact or probability of the risk.

Key risks
The most significant risk facing the Trustees is at present the implications surrounding the COVID-19 pandemic. This is covered by regular reviews of the current and predicted operating conditions between the Trustees and the executive team.

Other material strategic risks include:

- The continuing challenge of the economic climate and its impact on the Trust's patients and residents to self-fund treatment and care at its hospitals and care homes.
- Failure to follow an appropriate strategy.
- Shortage of suitably qualified staff.
- Serious clinical incident, which could have a serious negative impact on the Trust's reputation and, potentially, its finances.
- Uncertainty generated by the pressures on the NHS.
- Inflationary pressure on the English NHS Tariff.
- Below inflation increases in the rates reimbursed by local authorities for the care of local authority supported residents.

Structure, Governance and Management

Constitution and principal aims

The Healthcare Management Trust is a registered charity, Charity Registration No 292880, established in 1985. The objects of the charitable company are detailed in the Memorandum of Association. The Trust is constituted as a company limited by guarantee. In the event of the charitable company being wound up during the period of membership or within the year following, company members, who are the Trustees, are each required to contribute an amount not exceeding £5.

Trustees

The Trustees of the Trust, who constitute directors of the company for the purposes of company law, are appointed by resolution of the Board. The following served as members of the Board during the year:

Trustee	Appointed / Resigned
J R Q Folliott Vaughan (Chairman)	
D G Jones	
N Draper	
M Gerold	
G Goldinger	Deceased November 2020
Dr L Roberts	
N E E Stephens DL	
Dr C Streather	
G Von Malachowski	

Secretary	Appointed / Resigned
N Roissetter	

All Trustees give their time voluntarily and receive no remuneration from the Trust in connection with their duties as Trustees. J R Q Folliott Vaughan received £30,000 in respect of his services as Chairman. The financial information regarding Trustees is shown in note 8 to the financial statements.

The Trustees regularly assess the skills mix within the Board. When it is considered that additional skills are required, a new appointment is made following detailed discussion. All Trustees are provided with a "Trustee Manual". This is updated regularly and contains information about the governance and operations of the Trust. Trustees visit the Trust's hospitals and homes on a regular basis.

The Trustees were supported during the year by Philip Jukes, who advised the Board and visited the hospitals and homes regularly.

Principal advisers

The names and addresses of the principal advisers to the Trust are listed on pages 1 and 2.

Structure, Governance and Management (continued)

Governance and key management personnel

The Trust achieves its aims through the provision of advice and management expertise to existing hospitals and care homes and, where appropriate, by the acquisition and operation of hospitals and care homes.

The Trustees, who are responsible for the overall control of the Trust, meet regularly and receive detailed monthly management, clinical and other reports to retain effective control over the Trust and to supervise the Executive Management.

Senior staff manage the activities of the Trust. The following senior staff comprise the Executive Management and were in place at the date when the Annual Report and Financial Statements were approved or served during the financial year:

Mr Tony Barrett – Chief Executive

Mr Nigel Roissetter – Chief Financial Officer

Ms Mair Williams – Chief Operations Officer - Care Homes

Mr Rob Douthwaite – Chief Operations Officer – Hospitals (left our employment April 2020)

Dr Lorcan Sheppard – Chief Medical Officer

Ms Antoinette Edwards – Chief People Officer

The Board is supported by the Audit and Risk Committee which is chaired by Mr N E E Stephens DL and comprises Mr D Jones, Mr M Gerold and Mr G Von Malachowski.

Senior staff at the hospitals and care homes report to the Executive Management.

Control is exercised by a comprehensive system of financial planning, approvals, monitoring and reporting, backed up by accounting records which together provide the necessary level of financial control.

Key management personnel

The Trustees consider that they, together with the Executive Management, the Hospital Directors and the Senior Managers at the Care Homes, comprise the key management of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis.

The remuneration of key management personnel is set and approved by the Trustees. Remuneration is set in the context of market rates and industry benchmarks and is reviewed annually.

Equal opportunities

The Trust strives to be an Equal Opportunities Employer and applies objective criteria to assess merit. It aims to ensure that all job applicants and employees receive equal treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Structure, Governance and Management (continued)

Equal opportunities *(continued)*
Selection criteria and procedures are reviewed regularly to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. The Trust is also committed to providing a safe working environment for all staff.

The Trust has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting its performance. This is achieved through regular consultations with employees, including induction programmes, meetings and newsletters.

Volunteers
Pastoral care is provided, where possible, by religious Sisters and priests at the hospitals and homes, generally on a voluntary basis. Assistance is provided at some homes by "friends" organisations. There is no other dependence on voluntary help within the Trust.

Statement of Trustees' responsibilities
The Trustees (who are also directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' Report and 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 Trust and of the income and expenditure of the Trust 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom 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 Trust will continue in operation.

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

Structure, Governance and Management (continued)

Statement of Trustees' responsibilities *(continued)*
Each of the Trustees confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the Trust's auditor is unaware; and
- The Trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Signed on behalf of the Trustees:

J R Q Folliott Vaughan (Chairman and Trustee)

Approved by the Trustees on: 29 September 2021

Independent auditor's report to the members of The Healthcare Management Trust

Opinion

We have audited the financial statements of The Healthcare Management Trust (the 'charitable company') for the year ended 31 December 2020, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 December 2020 and of 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 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 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 and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report including 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;

- the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Companies Act 2006, data protection legislation, the Care Standards Act, Healthcare Commission regulations, Safeguarding regulations and Medical Health & Safety regulations; and

Auditor's responsibilities for the audit of the financial statements (continued)

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- tested the authorisation of expenditure as part of our substantive testing thereon;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of trustee meetings;
- enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- reviewing any available correspondence with the CQC, HMRC and the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Auditor's responsibilities for the audit of the financial statements (continued)
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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

Amanda Francis (Senior Statutory Auditor) 29 September 2021
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year to 31 December 2020

	Notes	**Total funds 2020 £**	Total funds 2019 £
INCOME AND EXPENDITURE ACCOUNT			
INCOME FROM:			
Donations and legacies		**8,143**	539
Investment income and interest receivable	1	**94,783**	279,435
Charitable activities			
. Healthcare establishment fees and related charges	2	**28,904,646**	33,526,869
Other sources: Coronavirus Job Retention Scheme grants		**263,947**	—
Total income		**29,271,519**	33,806,843
EXPENDITURE ON:			
Raising funds			
Investment manager's fees		**22,063**	37,765
Financing costs	3	**97,513**	368
		119,576	38,133
Charitable activities			
Promotion and development of healthcare			
. Healthcare establishment expenses	4	**30,143,482**	33,471,116
. Charitable grants	5	**181,715**	391,612
		30,325,197	33,862,728
Total expenditure		**30,444,773**	33,900,861
Net expenditure before losses on investments		**(1,173,254)**	(94,018)
Net (losses) gains on listed investments	11	**(155,122)**	651,677
Net (expenditure) income for the year and net movement in funds		**(1,328,376)**	557,659
Reconciliation of funds:			
Balances brought forward at 1 January 2020		**23,451,319**	22,893,660
Balances carried forward at 31 December 2020		**22,122,943**	23,451,319

All activities derived from continuing operations in each of the above two years with all income and expenditure being unrestricted.

Balance sheet 31 December 2020

	Notes	**2020 £**	2019 £
Fixed assets			
Tangible fixed assets	10	**30,433,374**	18,829,294
Investments	11	**2,699,839**	5,144,039
		33,133,213	23,973,333
Current assets			
Stocks	12	**513,942**	723,992
Debtors	13	**3,592,879**	3,080,238
Cash at bank and in hand		**1,673,205**	1,857,328
		5,780,026	5,661,558
Creditors: amounts falling due within one year:			
. Sancta Maria construction creditors	14	**(2,313,778)**	(831,096)
. Other	14	**(4,493,009)**	(3,427,238)
Net current (liabilities) assets*		**(1,026,761)**	1,403,224
Total assets less current liabilities		**32,106,452**	25,376,557
Creditors: amounts falling due after one year			
. Sancta Maria construction creditors	15	**(577,863)**	(1,792,325)
. Other	15	**(9,405,646)**	(132,913)
Total net assets		**22,122,943**	23,451,319
The funds of the Trust			
General funds		**846,425**	4,478,881
Tangible fixed assets fund	16	**21,133,374**	18,829,294
Designated funds	17	**143,144**	143,144
		22,122,943	23,451,319

* Included within net current liabilities is £2.3m of Sancta Maria construction creditors in relation to the new hospital. £2.2m of the creditor was funded by a drawdown of the development loan facility in early 2021, which will comprise part of creditors falling due after one year in the financial statements for the year ending 31 December 2021.

Approved by the Trustees and signed on their behalf by:

J R Q Folliott Vaughan (Chairman and Trustee)

Approved on: 29 September 2021

The Healthcare Management Trust: A company limited by guarantee, Company Registration No. 01932882 (England and Wales)

Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	**1,049,187**	2,901,315
Cash flows from investing activities:			
Investment income and interest received		**94,783**	279,435
Purchase of tangible fixed assets		**(12,623,194)**	(10,282,922)
Proceeds from the disposal of investments		**2,735,487**	3,842,689
Purchase of investments		**(446,409)**	(345,542)
Net cash used in investing activities		**(10,239,333)**	(6,506,340)
Cash flows from financing activities:			
Interest paid		**(97,513)**	(368)
New borrowings		**9,300,000**	—
Repayments of borrowing		**(132,913)**	(294,000)
Repayments of finance leases		**(63,551)**	(44,422)
Net cash provided by (used in) financing activities		**9,006,023**	(338,790)
Change in cash and cash equivalents in the year		**(184,123)**	(3,943,815)
Cash and cash equivalents at 1 January 2020	B	**1,857,328**	5,801,143
Cash and cash equivalents at 31 December 2020	B	**1,673,205**	1,857,328

Notes to the statement of cash flows for the year to 31 December 2020.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	**(1,328,376)**	557,659
Adjustments for:		
Depreciation charge	**1,064,515**	1,082,126
Gains (losses) on investments	**155,122**	(682,426)
Investment income and interest receivable	**(94,783)**	(279,435)
Interest payable	**97,513**	368
Loss on disposal of tangible fixed assets	**18,149**	32,251
Decrease (increase) in stocks	**210,050**	(129,216)
Increase in debtors	**(479,648)**	(652,178)
Increase in creditors	**1,439,638**	2,972,166
Net cash provided by operating activities	**1,049,187**	2,901,315

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	**1,219,317**	1,595,528
Cash held by investment managers	**453,888**	261,800
Total cash and cash equivalents	**1,673,205**	1,857,328

C Analysis of changes in net debt

	At 1 January 2020 £'000	Cash flows £'000	Other non-cash changes £'000	**At 31 December 2020 £'000**
Cash	1,857,328	(184,123)	—	**1,673,205**
Finance lease obligations	(192,155)	—	12,099	**(180,056)**
Loans falling due after more than one year	—	(9,300,000)	—	**(9,300,000)**
Total	1,665,173	(9,484,123)	12,099	**(7,806,851)**

Principal accounting policies 31 December 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation
These accounts have been prepared for the year to 31 December 2020. Comparative information is provided in respect to the year to 31 December 2019.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Trust constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement
The preparation of the accounts in compliance with SORP FRS 102 requires the use of certain critical accounting estimates. It requires also that management and Trustees exercise judgement in applying the Trust's accounting policies.

In preparing these accounts, the Trustees have made significant estimates and judgements in the following areas:

- Estimating the expected useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- Estimating any provision for bad or doubtful debts;
- Estimating and recognising accrued expenditure; and
- Estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern
The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

As explained in the Trustees' Report accompanying these financial statements, subsequent to the year end, the Covid-19 pandemic continues to have a significant impact on health and social care within the United Kingdom and, consequently, on the charity and its work.

Assessment of going concern (continued)
In particular, the pandemic has resulted in increased expenditure incurred in order to safeguard staff, residents and patients. At the same time, there has been a reduction in revenue due to falls in the normal occupancy levels at each of the Trust's care homes and a reduction in activity at the Trust's two hospitals due to the need to prepare to receive Covid-19 positive patients and high level of cancellations resulting from patients, staff and consultants having to self-isolate. In addition, the pandemic led todelays in the construction of the Trust's new hospital in Swansea, which finally opened in February 2021, as opposed to the planned date of September 2020.

The impact of the pandemic with its associated reduction in revenue and increase in costs has been actively managed. The pandemic has had, and is expected to continue to have, an adverse impact on the Trust's trading performance. The Trustees have assessed this in the context of the Trust's banking relationships and, in particular, the confirmation of continuing support from its bankers and have concluded that there is no reason to believe that the latter will be materially affected therefrom.

Whilst the Trustees anticipate that there will be a negative impact on the Trust's reserves, which may take several years to return to their pre-Covid levels, they are of the opinion that the Trust's financial position is such that it is expected to be able to withstand the challenges presented by the pandemic. The Trustees believe that the Trust will emerge from the pandemic in a stronger and more effective form.

The Trustees of the Trust have concluded that none of the above give rise to material uncertainties that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees are of the opinion that the Trust will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

Scope
The accounts of the two owned hospitals and the two leased care homes are included in these accounts on a line-by-line basis.

Income recognition
Income is recognised in the period in which the Trust has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises healthcare establishment fees and related charges, donations and investment income and interest receivable.

Income from healthcare fees and related charges is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured. It is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Consultant's fees, included within healthcare fees and related charges, are treated as income and expenditure for the Trust, except where the consultants bill the patients directly.

Income recognition (continued)
Donations are recognised when the Trust has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the Trust is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the Trust.

Entitlement is taken as the earlier of the date on which either: the Trust is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Trust has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Trust, or the Trust is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the Trust.

Investment income is recognised once the dividend or similar payment has been declared and notification has been received of the amount due.

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

Coronavirus Job Retention Scheme grants are credited to the statement of financial activities when the Trust has entitlement to the income and when the amount receivable has been quantified.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to make a payment to a third party, 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 recognition (continued)
All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the Trust. This includes investment management fees and the costs associated with servicing loan finance.

- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Trust through the provision of its charitable activities. Such costs include the provision of healthcare in acute hospitals and care homes and the making of charitable grants and donations. Expenditure on charitable activities includes both direct costs and indirect support costs.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

The provision of a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payments, settlement is probable and the effect of the discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant is made. This discount rate is regarded by the Trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Trust.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs
Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Trust it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Trust (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned to healthcare establishment expenses only.

Tangible fixed assets
Individual assets costing £1,000 or more, with an expected useful life exceeding one year, are capitalised at cost.

Certain freehold property is included in the accounts at a valuation determined during 1990 on the basis of existing use at that date. In accordance with the transitional provisions of Financial Reporting Standard 102, this valuation has not been updated and with effect from 1 January 2014 is deemed to be cost. All other freehold property and tangible fixed assets are included in the accounts at cost.

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

- Freehold buildings 2.5%
- Fixtures and fittings 10-20%
- Plant and machinery 15%
- Motor vehicles 33⅓%
- Other equipment 15-33%

Assets under construction are not depreciated. Once the asset has been completed, the cost thereof is reclassified under the appropriate asset category and depreciated in accordance with the rates set out above.

Plant and machinery includes hospital facilities such as operating theatres and related equipment.

Fixed asset investments
Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Trust does not acquire put options, derivatives or other complex financial instruments.

As noted above, one of the main forms of financial risk faced by the Trust is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Stocks
Stocks of medical and sundry supplies comprising drugs, dressings and medical consumables are stated at the lower of cost and net realisable value. Provision is made against any slow moving or obsolete stock.

Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Trust anticipates it will pay to settle the debt.

Fund structure
General funds represent income or generated for expenditure on the general objectives of the Trust.

The tangible fixed assets fund represents the net book value of the Trust's tangible fixed assets.

Designated funds represent monies or assets set aside by the Trustees, out of general funds, for specific purposes.

Restricted funds represent monies to be applied for specific purposes in accordance with donors' wishes.

Leased assets
Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities on a straight-line basis over the lease term.

Pension costs
Contributions in respect of both the Trust's defined contribution scheme and stakeholder pension scheme are charged to the statement of financial activities in the period in which they become payable to the scheme.

In August 2014, all eligible members of staff (not already contributing to an eligible scheme) were required to be auto-enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of financial activities in the year in which they are payable.

1 Investment income and interest receivable

	Unrestricted funds	
	2020	2019
	£	£
Income from listed investments	**94,783**	279,435

2 Healthcare establishment fees and related charges

	Unrestricted funds	
	2020	2019
	£	£
Management and consultancy fees	**74,411**	124,759
Hospital fees and related charges	**21,757,390**	26,239,884
Nursing and residential home fees and related charges	**7,072,845**	7,162,226
	28,904,646	33,526,869

Management and consultancy fees represent moneys receivable by the Trust under agreements for the management of care homes owned by independent third parties and from consultancy studies carried out for independent hospitals and care homes.

3 Financing costs

	Unrestricted funds	
	2020	2019
	£	£
Interest payable on bank loans, overdrafts and other loans	**97,513**	368

4 Healthcare establishment expenses

	Unrestricted funds	
	2020	2019
	£	£
Staff costs (note 8)	**14,476,755**	13,939,252
Premises and equipment	**3,995,361**	3,847,515
Medical and welfare	**9,507,719**	13,048,142
Governance costs (note 6)	**51,727**	96,468
Other expenses	**2,111,920**	2,539,739
	30,143,482	33,471,116

5 Charitable grants

The Trust authorised the following grants payable during the year ended 31 December 2020:

	2020 £	2019 £
In support of medical/social research		
Admiral Nurses	**96,512**	100,402
Alzheimer's Society (University of Southampton) – studying loss of connections between brain cells in the early stages of Alzheimer's disease	**—**	28,318
Alzheimer's Society (University of Leeds) – excess iron and neurodegeneration in Alzheimer's disease	**—**	28,278
Alzheimer's Society (University of Sheffield) – speech therapy to help people living with dementia stay in the conversation	**—**	22,993
Alzheimer's Society (University of Newcastle) – cognitive lifestyle and dementia	**—**	23,372
Swansea University – understanding and improving emotional wellbeing of older care home residents	**—**	20,091
Charitable donations and share of surplus (note 19)	**85,203**	168,158
Total	**181,715**	391,612

In addition to the above grants payable, at 31 December 2020 the Trustees had made grant offers totalling £45,987 (2019: £140,480). As the payment of these grants is subject to certain specific conditions, they have not been accrued for in these accounts.

6 Governance costs

	Unrestricted funds	
	2020 £	2019 £
Internal audit	—	20,482
External audit, committee and other costs	**51,727**	75,986
	51,727	96,468

7 Net expenditure before (losses) gains on investments

This is stated after charging:

	Unrestricted funds	
	2020	2019
	£	£
Staff costs (note 8)	**14,476,755**	13,939,252
External auditor's remuneration		
. Audit services – current year	**34,200**	33,600
. Audit services – prior year	**2,686**	6,953
. Other services – taxation and advisory services	**1,398**	3,300
Depreciation	**1,064,515**	1,082,126
Operating lease rentals	**413,939**	507,935
Hire of plant and machinery		
. Rental of non-medical equipment	**741,059**	465,124
. Rental of medical equipment	**126,947**	338,516

8 Staff costs and Trustees' remuneration

	2020	2019
	£	£
Staff costs during the year were as follows:		
Wages and salaries	**11,908,126**	11,504,965
Social security costs	**1,056,693**	1,081,879
Other pension costs	**503,721**	409,210
Apprenticeship levy	**44,932**	42,472
Payments to employed staff	**13,513,472**	13,038,526
Payments to agency staff	**963,283**	900,726
	14,476,755	13,939,252

Payments to agency staff during the year reflect the national shortage of nursing staff seeking permanent employment. The average number of employees, including agency staff, was:

	Full time equivalents		**Headcount**	
	2020	2019	**2020**	2019
Healthcare services	**410**	394	**536**	522

The number of employees who earned £60,000 per annum or more (including taxable benefits, but excluding employer's pension contributions) during the year was as follows:

	2020	2019
£60,001 - £70,000	**4**	4
£70,001 - £80,000	**1**	2
£80,001 - £90,000	**2**	3
£90,001 - £100,000	**2**	1
£100,001 - £110,000	**2**	2
£110,001 - £120,000	**—**	1
£120,001 - £130,000	**1**	—
£130,001 - £140,000	**—**	—
£140,001 - £150,000	**—**	1
£150,001 - £160,000	**1**	—
£170,001 - £180,000	**1**	2

8 Staff costs and Trustees' remuneration (continued)

Employer contributions are made to money purchase schemes in respect to 14 (2019: 16) of those employees who earned £60,000 or more during the year. Total employer contributions to money purchase schemes in respect of such employees during the year amounted to £113,891 (2019: £163,651).

No trustee received any remuneration in respect of their services as Trustees during the year (2019: none). During the year, with the approval of the Charity Commission, J R Q Folliott Vaughan received £30,000 in respect to management services provided to the Trust (2019: £30,000).

Expenses in connection with travel and subsistence were reimbursed to 3 (2019: 5) Trustees during the year and amounted to £1,175 (2019: £4,220).

The Trust has purchased insurance to protect itself from any loss arising from the neglect or defaults of its Trustees, employees and agents and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the Trust during the year totalled £12,993 (2019: £10,915) and provides cover of up to a maximum of £5 million (2019: £5 million).

The key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis comprise the Trustees, the Executive Management, the Director at each of the of the Hospitals and the Senior Manager at each of the care homes. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £1,292,314 (2019: £1,330,818).

9 Taxation

The Healthcare Management Trust is a registered Trust and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

10 Tangible fixed assets

	Freehold property £	Assets under construction £	Fixtures and fittings £	Plant and equipment £	Motor vehicles £	**Total £**
Cost or valuation						
At 1 January 2020	5,422,660	10,761,863	3,839,210	10,149,867	12,480	**30,186,080**
Additions	57,626	11,997,110	109,294	522,714	—	**12,686,744**
Disposals	(1,361)	—	(457)	(62,621)		**(64,439)**
Reclassifications*	178,662	—	(632,016)	453,354	—	—
At 31 December 2020	5,657,587	22,758,973	3,316,031	11,063,314	12,480	**42,808,385**
Cost	4,407,587	22,758,973	3,316,031	11,063,314	12,480	**41,558,385**
Deemed cost: Valuation – 1990	1,250,000	—	—	—	—	**1,250,000**
	5,657,587	**22,758,973**	**3,316,031**	**11,063,314**	**12,480**	**42,808,385**
Depreciation						
At 1 January 2020	1,732,928	—	1,485,967	8,129,571	8,320	**11,356,786**
Provided in the year	96,969	—	261,657	701,729	4,160	**1,064,515**
On reclassifications*	14,340	—	54,563	(68,903)	—	—
On disposals	(676)	—	(316)	(45,298)	—	**(46,290)**
At 31 December 2020	**1,843,561**	—	**1,801,871**	**8,717,099**	**12,480**	**12,375,011**
Net book values						
At 31 December 2020	3,814,026	22,758,973	1,514,160	2,346,215	—	**30,433,374**
At 31 December 2019	3,689,732	10,761,863	2,353,243	2,020,296	4,160	**18,829,294**

As explained in note 22 practical completion of the new Sancta Maria Hospital was achieved on 28 January 2021, with the hospital opening to patients on 15 February 2021. The construction of the new hospital has been financed in part by a loan from HSBC Bank plc. This arrangement is secured by way of legal charges over the new Sancta Maria Hospital at Langdon Road, Swansea, SA1, the old Sancta Maria Hospital site in Ffynone Road, Swansea SA1 6DF and St Hugh's Hospital, Peaks Lane, Grimsby, DN32 9RP, as well as fixed and floating charges over all property of the Trust.

Following the move to the new hospital in 2021, certain of the tangible fixed assets of the hospital were scrapped or disposed of. The exact value of these will be determined throughout the 2021 financial year in order for an informed disposal calculation to be processed in the 2021 financial statements.

*Following a review of the fixed assets register it was appropriate to reclassify assets previously listed under Fixtures and Fittings to Plant and Equipment and Freehold Property.

10 Tangible fixed assets (continued)

Certain freehold property included above was revalued in 1990 at an existing use valuation of £1,250,000. Had it not been revalued, it would have been included on the historical cost basis at the following amounts:

	£
Cost	**1,023,209**
Accumulated depreciation	**(682,402)**
Net book amount at 31 December 2020	**340,807**
Net book value at 31 December 2019	**366,387**

As permitted under the transitional arrangements within Financial Reporting Standard 102, the Trust has continued to adopt a policy of not revaluing tangible fixed assets. It is likely that there are material differences between the open market values of the Trust's land and freehold properties and their book values. These arise from the specialised nature of some of the properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the Trustees, is not justified in terms of the benefits to the users of the accounts.

At 31 December 2020 the Trust had capital commitments in respect to the construction of the new hospital in Swansea of £5,000,000 (2019: £16,300,000).

11 Fixed asset investments

	2020 **£**	2019 £
Listed investments		
Market value at 1 January 2020	**5,144,039**	7,958,759
Additions at cost	**446,409**	345,542
Disposals at carrying value (proceeds: £2,735,487, losses: £100,584)	**(2,836,071)**	(3,610,709)
Net unrealised investment (losses) gains	**(54,538)**	450,447
Market value at 31 December 2020	**2,699,839**	5,144,039
Cost of listed investments at 31 December 2020	**2,273,345**	4,179,879

All listed investments were dealt in on a recognised stock exchange. Listed investments held at 31 December 2020 comprised the following:

	2020 **£**	2019 £
UK Managed funds	**1,648,601**	3,031,335
Overseas Managed funds	**—**	175,352
UK Bonds	**63,678**	467,768
Overseas Bonds	**—**	287,302
UK Equities	**284,923**	537,390
Overseas Equities	**644,545**	511,312
Commodities	**58,092**	133,580
	2,699,839	5,144,039

11 Fixed asset investments (continued)

At 31 December 2020 the following individual investment holdings were deemed material holdings in the context of the market value of the entire listed portfolio as at that date:

Holding	Market value of holding £	% of total portfolio %
Vanguard Investments FTSE All Share Index Inc	**542,523**	**20%**
DB X-Trackers FTSE All Share	**334,969**	**12%**
Mayfair Capital Investment Management - Property Income Trust for Charities	**333,733**	**12%**
Coupland Cardiff Funds - Japan Alpha I (JPY)	**222,477**	**8%**
VANGUARD INVESTMENTS S&P 500 UCITS ETF Inc (GBP)	**201,718**	**7%**

12 Stocks

	2020 £	2019 £
Drugs, dressings and consumables	**507,568**	697,719
Other	**6,374**	26,273
	513,942	723,992

13 Debtors

	2020 £	2019 £
Fees and related charges	**1,113,566**	2,075,190
Other debtors	**151,066**	26,908
Prepayments and accrued income	**1,274,138**	978,140
Prepayment of equipment	**1,054,109**	**—**
	3,592,879	3,080,238

Prepayments include £210,000 being a deposit paid in respect to the prospective purchase of the freehold of Marie Louise House Care Home. The purchase is conditional on obtaining planning permission to extend the home and requires the prior approval of HSBC Bank plc.

Prepayments of equipment is in relation to deposits paid on equipment for the new hospital to be funded by HSBC Equipment Finance.

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Sancta Maria construction creditors	**2,313,778**	831,096
Other		
Expense creditors	**2,931,600**	2,198,211
Social security and other taxes	**289,291**	279,619
Other creditors	**240,787**	67,471
Accruals and deferred income	**956,921**	822,695
Finance lease repayable within one year	**74,410**	59,242
	4,493,009	3,427,238

15 Creditors: amounts falling due after one year

	2020 £	2019 £
Sancta Maria construction creditors	**577,863**	1,792,325
Other		
Finance lease repayable (see below)	**105,646**	132,913
Bank loan (see below)	**9,300,000**	—
	9,405,646	132,913

Finance lease

	2020 £	2019 £
Amounts due:		
Within one year (note 14)	**74,410**	59,242
Between one and two years	**64,380**	59,242
Between two and five years	**41,266**	73,671
	105,646	132,913
	180,056	192,155

Bank loan

On 18 April 2019, the Trust signed a development and commercial mortgage facilities agreement with HSBC Bank plc. This enables the Trust to draw down up to £11,500,000 in order to finance the construction project at Sancta Maria Hospital. A total of £9,300,000 has been drawn down in the 2020 financial year, with the balance of £2,200,000 in the 2021 financial year.

Under the terms of the agreement, the mortgage will be repaid in consecutive instalments based on a twenty year amortisation profile with the first instalment being due on the third quarter date after the full loan has been drawn down following practical completion of the hospital. The final loan payment will be made six months after the eighth anniversary of the final drawdown and is anticipated to be sometime in 2029.

Interest payable at a rate of 2.5% over LIBOR, In order to limit interest rate risk, HMT have entered into a Swap with a cap of 2.0%

16 Tangible fixed assets fund

	Total 2020 £	Total 2019 £
At 1 January 2020	**18,829,294**	9,574,603
Net movement in the year	**11,604,080**	9,254,691
	30,433,374	18,829,294
Less: Bank loan to finance the construction and acquisition of tangible fixed assets	**(9,300,000)**	—
At 31 December 2020	**21,133,374**	18,829,294

The tangible fixed assets fund represents the net book value of the Trust's tangible fixed assets less the value of bank loans obtained to finance the construction and acquisition of tangible fixed assets.

17 Designated funds

The unrestricted funds of the Trust include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific reasons or purposes:

	At 1 January 2020 £	**New designations £**	**Released or utilised £**	**At 31 December 2020 £**
Marie Louise House building and equipment reserve	**3,144**	—	—	**3,144**
Coloma Court building reserve	**140,000**	—	—	**140,000**
	143,144	—	—	**143,144**

	At 1 January 2019 £	New designations £	Released or utilised £	At 31 December 2019 £
Marie Louise House building and equipment reserve	3,144	—	—	3,144
Coloma Court building reserve	140,000	140,000	(140,000)	140,000
Grant making reserve	300,000	—	(300,000)	—
Sancta Maria redevelopment reserve	9,000,000	—	(9,000,000)	—
	9,443,144	140,000	(9,440,000)	143,144

The Marie Louise House building and equipment reserve represents moneys set aside to finance the future purchase of equipment, and the repair and maintenance of the buildings occupied by the Trust, at Marie Louise House, Romsey.

The Coloma Court building reserve represents moneys set aside to finance the repair and maintenance of the buildings occupied by the Trust at Coloma Court Care Home, West Wickham. This reserve is topped up by £140,000 per annum if a surplus is made.

The grant making reserve represented funds set aside for making grant offers in future accounting periods.

The Sancta Maria redevelopment reserve represented funds set aside to part finance the building of a new hospital in Swansea.

18 Analysis of net assets between funds

	General funds £	Tangible fixed assets fund £	Designated funds £	Total 2020 £
Tangible fixed assets	**—**	**30,433,374**	—	**30,433,374**
Investments	**2,559,839**	—	**140,000**	**2,699,839**
Net current liabilities	**(1,029,905)**	—	**3,144**	**(1,026,761)**
Creditors: Amounts falling due after one year	**(683,509)**	**(9,300,000)**	—	**(9,983,509)**
	846,425	**21,133,374**	**143,144**	**22,122,943**

	General funds £	Tangible fixed assets fund £	Designated funds £	Total 2019 £
Tangible fixed assets	—	18,829,294	—	18,829,294
Investments	5,144,039	—	—	5,144,039
Net current assets	1,260,080	—	143,144	1,403,224
Creditors: Amounts falling due after one year	(1,925,238)	—	—	(1,925,238)
	4,478,881	18,829,294	143,144	23,451,319

The total unrealised gains as at 31 December 2020 constitute a revaluation reserve as defined by the Companies Act 2006. Movements in unrealised gains during the year were as follows:

	2020 £	2019 £
Unrealised gains included above:		
On listed investments	**426,494**	964,160
On freehold property	**75,539**	81,209
Total unrealised gains at 31 December 2020	**502,033**	1,045,369
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2020	**1,045,369**	1,157,711
Difference between historical cost realised gains/losses on listed investments and the actual realised gains/losses thereon calculated on the revalued amounts	**(494,468)**	(568,459)
Unrealised (losses) gains on listed investments arising in the year	**(54,538)**	450,447
Difference between the depreciation charge based on historic cost and that based on the revalued amounts	**5,670**	5,670
Total unrealised gains at 31 December 2020	**502,033**	1,045,369

19 Share of surplus and donations to charities

The lease agreement for Coloma Court Care Home stipulates that the Daughters of Mary and Joseph will receive a share of the surplus in respect of the nursing home operations equal to 50% of the net surplus. The 2020 share amounted to £nil (2019: £nil) due to a deficit arising in the year.

The lease agreement for Marie Louise House stipulates that the Daughters of Wisdom will receive a share of the surplus in respect of the nursing home operations equal to 50% of the net surplus but will contribute 50% of any net deficit. The 2020 surplus amounted to £nil (2019: £70,667). However, an amount of £32,685 is included on the balance sheet as being due from the Daughters of Wisdom to cover the deficit made.

Further donations amounting to £85,203 (2019: £97,491) were made to various other charitable organisations and beneficiaries.

20 Pensions

The Trust operates a defined contribution scheme for the benefit of the employees and contributes both to personal pension plans, stakeholder pension plans of individual employees and the NEST auto-enrolment scheme. During the year total contributions made by the Trust were £503,721 (2019: £407,934) of which £181,034 (2019: £239,185) were to the NEST auto-enrolment scheme and £322,687 (2019: £168,749) were to the defined contribution scheme.

21 Leasing commitments

Operating lease payments amounting to £492,202 (2019: £413,939) are due within one year. The leases to which these amounts relate expire as follows:

	Land and buildings		Other	
	2020	2019	**2020**	2019
	£	£	**£**	£
Operating leases which expire:				
. Within one year	**415,756**	337,003	**76,446**	76,936
. Within two to five years	**1,530,134**	1,349,613	**355,444**	211,531
. In more than five years	**171,563**	400,313	**—**	49,091
	2,117,453	2,086,929	**431,890**	337,558

22 Post balance sheet events

Practical completion of the new Sancta Maria Hospital was confirmed on 28 January 2021 and a mortgage facility of £11.5m commenced from 18 February 2021. Further information is provided at note 15 to these financial statements.

Although there are a number of financial covenants on the facility, HSBC Bank plc have agreed to defer their testing of the leverage and cashflow cover until March 2022.

In addition, on 13 March 2021, we signed a Development Agreement with Brackley Investments Ltd for the turnkey development of a 64-bed dementia care home in Littlehampton. The planned opening date for the home is April 2023.

23 Related party transactions

Details of transactions between the Trust and its Trustees in respect to the reimbursement of expenses and the remuneration of the Chairman are given in note 8 to these financial statements.

There were no further related party transactions during the year (2019: none).