

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
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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

Trustees' report (incorporating a Strategic Report) Year to 31 December 2022

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

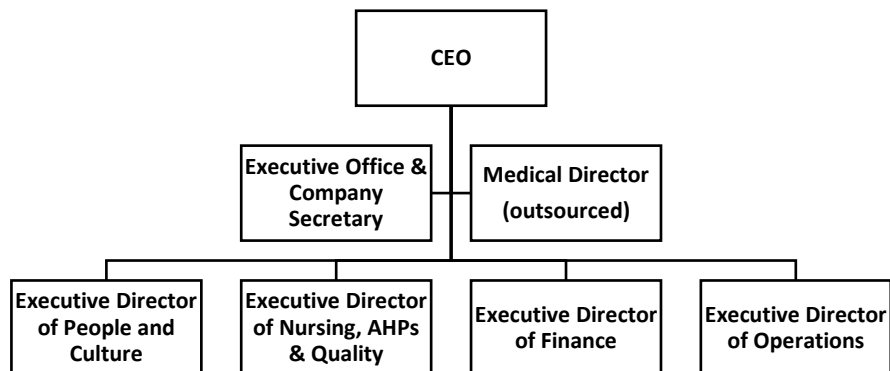
The of the Pandemic in Health and Social Care will be felt for some years to come. Trustees believe it is the appropriate time to consider the mission and strategy of the Trust for the coming years, without any preconceptions as to what this might be. This important work will be undertaken during 2023 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 where 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 (tCO₂e)				
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.

Trustees' report (incorporating a Strategic Report) Year to 31 December 2022

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 Follitt 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 Follitt 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.

Trustees' report (incorporating a Strategic Report) Year to 31 December 2022

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.



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	<u>30,724,348</u>	<u>32,942,525</u>
		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		<u>3,605,296</u>	<u>4,288,687</u>
		6,667,712	9,739,155
Creditors: amounts falling due within one year:			
. Sancta Maria construction creditors	14	(586,800)	(577,863)
. Other	14	<u>(6,442,739)</u>	<u>(8,925,936)</u>
		(361,827)	235,356
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	<u>(11,368,458)</u>	<u>(12,432,663)</u>
		(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	<u>275,121</u>	<u>275,121</u>
		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

Statement of cash flows Year to 31 December 2022

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)

Principal accounting policies 31 December 2022

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 there 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.

Principal accounting policies 31 December 2022

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.

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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

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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 Norder 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).