



ANNUAL REPORT

YEAR TO DECEMBER 2023

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

CHARITY REGISTRATION NUMBER: 292880

EMPOWERING PEOPLE AND INNOVATING HEALTHCARE, TOGETHER.

627



Average number
of employees:

99%



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



£3,754,995

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

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

CHAIR OF TRUSTEE'S STATEMENT

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

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

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

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

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



Dylan Jones
Chair
22 May 2024



CHIEF EXECUTIVE'S STATEMENT

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

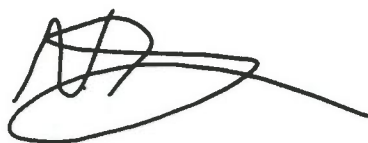
This year marked a turnaround year for us, symbolising resilience, adaptability, and a commitment to excellence. Amidst the challenges, we have emerged stronger, with a clearer vision and a refined sense of purpose, now pushing us forward.

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

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

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

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



Nichola Stefanou
Chief Executive Officer
22 May 2024






TRUSTEES' REPORT

INCLUDING SECTION 172 STATEMENT AND STRATEGIC REPORT

ABOUT HMT

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



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

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

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

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

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

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

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

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

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

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

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

2024 - Opening of Norden House Care Home.



St Hugh's
Hospital



Acute Hospital



187 Team Members



Located in Grimsby



Acute Hospital



215 Team Members



Located in Swansea



Sancta Maria
Hospital



Coloma Court
Care Home



Care Home



62 Beds



90 Team Members



Located in Bromley



Care Home



91 Team Members



46 Beds



Located in Romsey



Marie Louise House
Care Home



Norden House
Care Home



Care Home



64 Beds



2 Team Members



Located in West Sussex



42 Team Members



Shared Support
Services



CHARITABLE MISSION

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



VISION

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



PURPOSE

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

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

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

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

OUR STRATEGY

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

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

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

CHARITABLE MISSION, VISION & PURPOSE

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

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

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

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

OUR VALUES

Building a culture through values

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



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

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

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

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

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

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

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

BUILDING OUR BRAND & GROWING THE ORGANISATION

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

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

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

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

2023 ORGANISATIONAL PRIORITIES

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



Efficiencies

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



People

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



Strategy

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



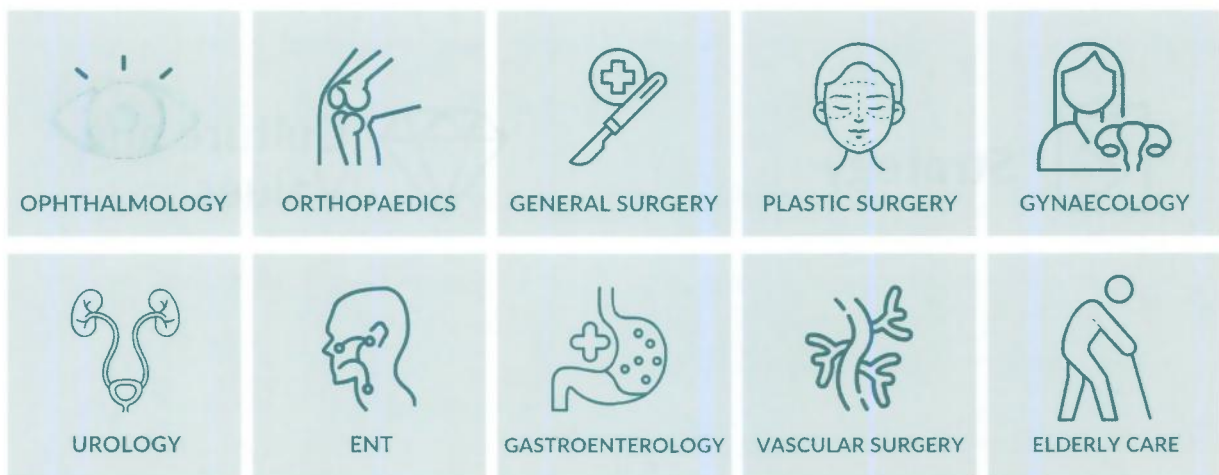
Culture and Values

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

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



OUR CARE



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

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

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

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

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

Compliance:

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

CQC:

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

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

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

Health Inspectorate Wales inspection of Sancta Maria Hospital:

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

Regulatory summary

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

*Published in February 2024 and available [here](#).



PATIENT & RESIDENT ENGAGEMENT

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

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

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



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



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



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

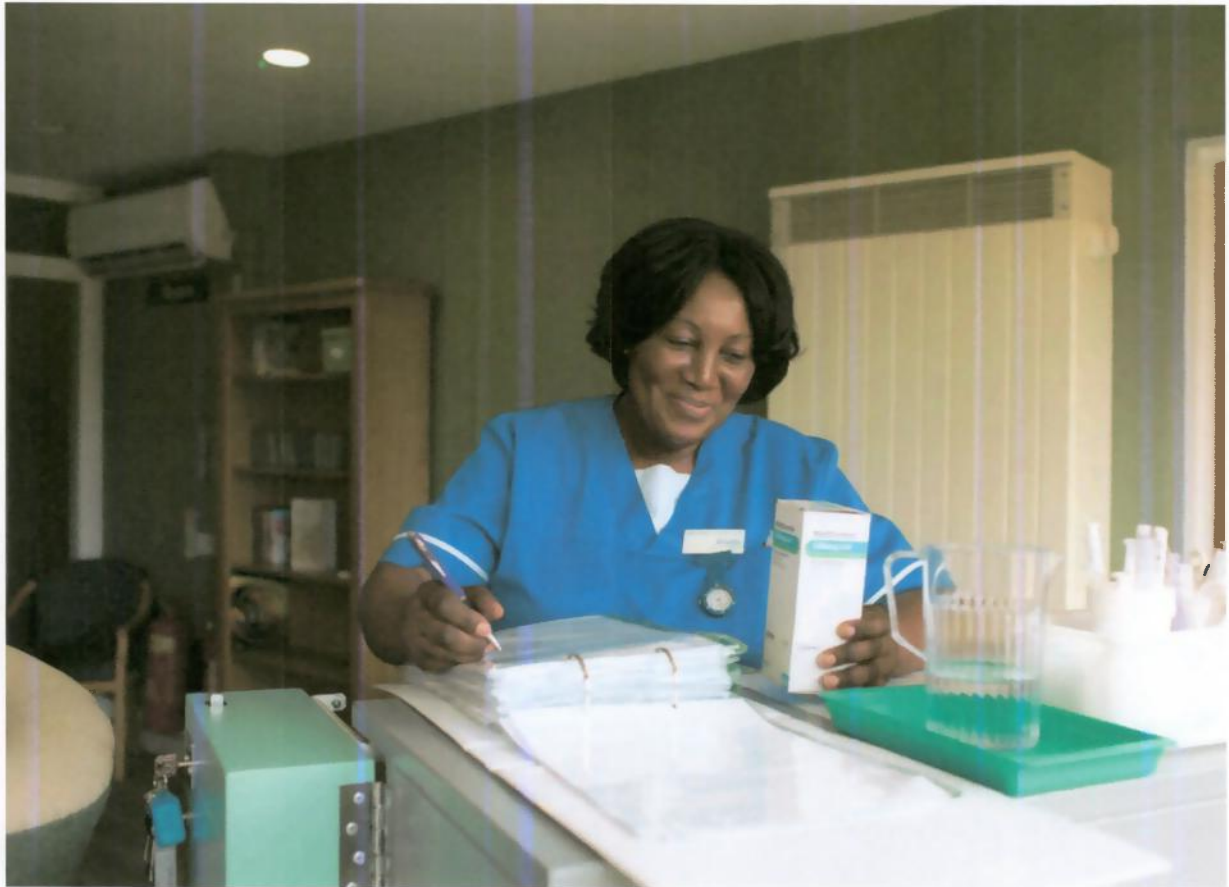
PSIRF

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

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

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

Work to implement PSIRF will continue into 2024.



OUR PEOPLE

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

Pay

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

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

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

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

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

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

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

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

“

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

”

“

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

”

Cost of Living Payment

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

Gender Pay Gap

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

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

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

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

Recruitment and Retention

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

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

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

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

Overseas recruitment

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

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

Unifying HMT and Culture

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

Communicating with colleagues

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

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

Speaking Up

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

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

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



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



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



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

Learning and Development

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

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

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

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

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

Diversity and Inclusion

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

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

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

Long service awards

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

The workforce of the future

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





TECHNOLOGY

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

CompuCare

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

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

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

New Learning Management system – Learning Pool

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

MHR iTrent

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

Ulysses

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

The introduction of Ulysses will assist HMT to:

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

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

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



ENVIRONMENT AND SUSTAINABILITY

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

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

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

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

Such initiatives include:

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

Awards and recognitions

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

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

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

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

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

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

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

Section 172 Statement

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

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

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

s172	Specific Examples covered in this report
(a) the likely consequences of any decision in the long term	Development of new Strategy Significant investment in new systems
(b) the interests of the company's employees	Overseas recruitment Pay award Cost of Living Payment Learning and Development Speaking Up Communication with colleagues
(c) the need to foster the company's business relationships with suppliers, customers and others;	Resident and patient feedback Regular meetings with suppliers Ensuring HMT engages in the future shape of health and social care service provision
(d) the impact of the company's operations on the community and the environment	Appointment of Net Zero Lead Sustainable development of new services
(e) the desirability of the company maintaining a reputation for high standards of business conduct	Care Quality Commission and HIW Compliance ratings
(f) the need to act fairly between members of the company	Review and change of Governance Structure

Engagement with key stakeholders - key decisions

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

Key decision 1 – Development of HMT's Strategy

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

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

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

Key decision 2 – Office locations and change of registered office

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

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

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

Key decision 3 – Governance Structure

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

Key decision 4 – Executive and senior leadership structure

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

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

Key decision 5 – Remuneration

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

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

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

Our Stakeholders

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

Our residents and patients

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

How we engaged with our residents and patients in 2023:

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

Our People

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

How we engaged with our people in 2023:

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

Our Communities

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

Supporting local communities:

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

Our Partners

NHS:

Figures published by NHS England for December 2023 showed:

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

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

1736
NHS PATIENTS
VIA SANCTA
MARIA
HOSPITAL

3955
NHS
PATIENTS VIA
ST HUGH'S
HOSPITAL

Our Suppliers

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

We engage with our suppliers through:

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

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

The Government

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

We engage with government through:

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

Financial Review

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

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

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

Our hospitals:

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

Our care homes:

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

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

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

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

Reserves

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

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

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

Risk Management

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

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

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

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

Structure, Governance and Management

Legal Structure

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

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

HMT delivers on these core objectives through:

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

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

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

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

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

Board comprised of
7 TRUSTEES



CHAIR APPOINTED

September 2022

**BOARD
GENDER
DIVERSITY**



4 men

3 women



2

new trustees
appointed in 2023,
3 retired

Trustee Terms of Appointments

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

Trustee Appointments and Resignations

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

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

BOARD COMPOSITION AS AT 31ST DECEMBER 2023

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

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

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

TRUSTEE BIOGRAPHIES



Dylan Jones

Chair of Board

Member of Governance Committee

Member of Remuneration and Nominations Committee

Appointed: 12 December 2012

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

Mark Gerold

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

Appointed: 16th September 2015



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

Glen von Malachowski

Chair of Finance Committee
Member of Clinical Governance Committee
Member of Remuneration and Nominations
Committee

Appointed: 20 April 2016



Glen has extensive years of experience as an Executive Director within the health and social care sector and in the private, public and third sectors. Glen has undertaken a number of roles during his career including Non-Executive Director/Chairman of Helping Hands Homecare 2009 to 2019, Chairman, Heart of England Mencap 2009 – 2020, Chair VCP Homecare 2018 – present. Trustee, Chair of Services and Quality, See Ability 2009 to 2018. Robinia Group plc, 1998-2008, Culminating as CEO. 1998-2000, Director to Brain Injury Rehabilitation Trust (BIRT) – 1996 – 1998, Assistant Regional Director, Sense West (National Deafblind and Rubella Association) – 1993-1996, Assistant Unit General Manager, AMI Psychiatric Care, Stockton Hall Hospital, 1990-1999, Assistant Principal, Middlesex Lodge Residential Resource Centre, 1986-1990.

Janis Sanders

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

Appointed: 25 May 2022



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

Lisa Geary

Member of the Finance Committee
Member of Remuneration and Nominations
Committee

Appointed: 25 May 2022



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

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

Michael Shenouda

Member of Clinical Governance Committee
Member of Remuneration and Nominations Committee

Appointed: 26 July 2023



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

Specialist Trustee Lead Roles

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

Glen von Malachowski was appointed Trustee Safeguarding Lead on 26 July 2023.

Janis Sanders was appointed Trustee Freedom to Speak Up Lead on 27 September 2023.

Trustee Induction, Training and Appraisals

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

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

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

Trustee site visits

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

Corporate Governance Structure

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

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

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

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

Attendance at Board meetings in 2023:

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

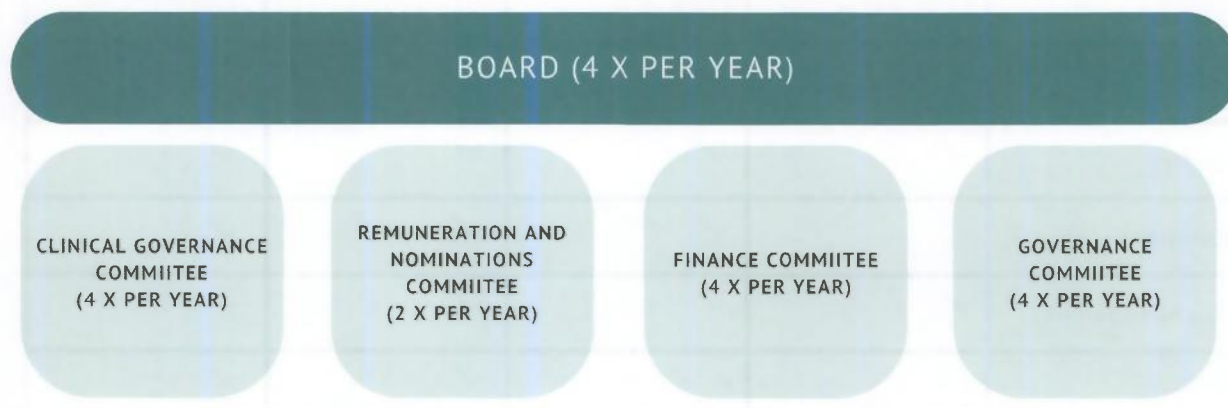
The review also led to a change in HMT's committee structure. In summary the impact of this was:

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

Existing committee structure



Agreed new structure:



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

Finance Committee

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

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

Attendance at Finance Committee meetings in 2023

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

Clinical Governance Committee

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

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

Appointments are decided by the Board and are for terms of three years and Trustees are eligible for reappointment, subject to satisfactory performance and in line with the needs of the charity.

The Clinical Governance Committee faced challenges within 2023 with changes of leadership, both operationally and trustee members. Caroline Fryar replaced Lila Dinner as Chair of the Clinical Governance Committee, following the retirement of Lila Dinner on 24 May 2023. Lynne Roberts also retired as a trustee and from the Clinical Governance Committee on 24 May 2023. The Committee saw the appointment to the Clinical Governance Committee of two Trustees, Michael Shenouda and Merrilee Briggs, upon their appointments as trustees in July 2023 and September 2023 respectively.

Attendance at Clinical Governance Committee meetings in 2023

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

Remuneration and Nomination Committee

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

Attendance at Remunerations and Nomination Committee Meetings in 2023

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

Governance Committee

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

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

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

*The first meeting was held in January 2024.

Board and Committee Effectiveness reviews

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

Compliance with the Charity Governance Code

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

Trustee remuneration

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

Conflicts of Interest

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

Statement of Adherence to the Fundraising Regulator Code

HMT does not fundraise.

Trustees' Responsibilities Statement

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of HMT and of the income and expenditure of HMT for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that HMT will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of HMT and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

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

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

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

Signed on behalf of the Trustees:

D G Jones (Board Chair and Trustee)

Date: 22 May 2024

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

Opinion

We have audited the financial statements of The Healthcare Management Trust (the 'charitable company') for the year ended 31 December 2023, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

How the audit was considered capable of detecting irregularities including fraud

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

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

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

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

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

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

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

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

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

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

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Hugh Swainson (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Buzzacott LLP

03 June 2024

Statement of Financial activities

FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible fixed assets	10	30,733,509	30,724,348
		<u>30,733,509</u>	<u>30,724,348</u>
Current assets			
Stocks	11	556,715	562,042
Debtors	12	2,606,568	2,500,374
Cash at bank and in hand		6,200,509	3,605,296
		<u>9,363,792</u>	<u>6,667,712</u>
Creditors: amounts falling due within one year:	13	(8,644,883)	(7,029,539)
Net current assets (liabilities)		<u>718,909</u>	<u>(361,827)</u>
Total assets less current liabilities		<u>31,452,418</u>	<u>30,362,521</u>
Creditors: amounts falling due after one year	14	(10,454,516)	(11,368,458)
Total net assets		<u>20,997,902</u>	<u>18,994,063</u>
The funds of the Trust			
General funds		1,361,442	428,393
Tangible fixed assets fund	15	19,214,849	18,290,549
Designated funds	16	421,611	275,121
		<u>20,997,902</u>	<u>18,994,063</u>

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

Approved on: 22 May 2024

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

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

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

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

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

Principal accounting policies

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

Basis of preparation

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

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

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

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

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

Scope

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

Critical accounting estimates and areas of judgement

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

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

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

Assessment of going concern

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

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

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

The Trustees have therefore concluded that 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.

Income recognition

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

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

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

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

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

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

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

Expenditure recognition

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

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

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

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

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

All expenditure is stated inclusive of irrecoverable VAT.

Borrowing costs

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

Allocation of support and governance costs

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

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

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

Tangible fixed assets

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

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

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

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

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

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

Stocks

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Fund structure

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

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

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

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

Leased assets

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

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

Pension costs

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

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

Termination benefits

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

Notes to the accounts

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

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

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

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

4. Healthcare establishment expenses

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

5. Charitable grants

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

6. Governance costs

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

7. Net income (expenditure) before losses on investments

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

8. Staff costs and Trustees' remuneration

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

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

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

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

8. Staff costs and Trustees' remuneration (continued)

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

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

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

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

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

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

8. Staff costs and Trustees' remuneration (continued)

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

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

9. Taxation

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

10. Tangible fixed assets

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

9. Taxation (continued)

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

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

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

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

11. Stocks

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

12. Debtors

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

13. Creditors: amounts falling due within one year

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

14. Creditors: amounts falling due after one year

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

Finance lease

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

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

Bank loan

	2023 £	2022 £
Amounts due:		
Within one year (note 14)	575,000	575,000
Between one and two years	575,000	575,000
Between two and five years	1,725,000	1,725,000
Between five and seven years	7,475,000	8,050,000
	9,775,000	10,350,000
	10,350,000	10,925,000

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

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

15. Tangible fixed assets fund

	Total 2023 £	Total 2022 £
At 1 January 2023	30,724,348	32,942,525
Net movement in the year	9,161	(2,218,177)
	30,733,509	30,724,348
Less: Bank loan and finance leases to finance the construction and acquisition of tangible fixed assets	(11,518,660)	(12,433,799)
At 31 December 2023	19,214,849	18,290,549

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

16. Designated funds

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

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

	At 1 January 2022 £	New designations £	Released or utilised £	At 31 December 2022 £
Marie Louise House building and equipment reserve	3,144	—	—	3,144
Coloma Court building reserve	271,977	—	—	271,977
	275,121	—	—	275,121

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

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

17. Analysis of net assets between funds

	General funds £	Tangible fixed assets fund £	Designated funds £	Total 2023 £
Tangible fixed assets	—	30,733,509	—	30,733,509
Net current assets	1,361,440	(1,064,144)	421,611	718,907
Creditors: Amounts falling due after one year	—	(10,454,516)	—	(10,454,516)
	1,361,440	19,214,849	421,611	20,997,901
	General funds £	Tangible fixed assets fund £	Designated funds £	Total 2022 £
Tangible fixed assets	—	30,724,348	—	30,724,348
Net current assets	428,393	(1,065,341)	275,121	(361,827)
Creditors: Amounts falling due after one year	—	(11,368,458)	—	(11,368,458)
	428,393	18,290,549	275,121	18,994,063

The total unrealised gains as at 31 December 2023 constitute a revaluation reserve as defined by the Companies Act 2006. Movements in unrealised gains during the year were as follows:

	2023 £	2022 £
Unrealised gains included above:		
On freehold property	69,870	64,200
Total unrealised gains at 31 December 2023	69,870	64,200
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2023	64,200	203,087
Difference between historical cost realised gains/losses on listed investments and the actual realised gains/losses thereon calculated on the revalued amounts	—	(144,557)
Difference between the depreciation charge based on historic cost and that based on the revalued amounts	5,670	5,670
Total unrealised gains at 31 December 2023	69,870	64,200

18. Share of surplus and donations to charities

The lease agreement for Coloma Court Care Home stipulates that the Daughters of Mary and Joseph will receive a share of the surplus in respect of the nursing home operations equal to 50% of the net surplus. The 2023 share amounted to £179,024 (2022: £nil due to a deficit arising in the previous year)

The lease agreement for Marie Louise House stipulates that the Daughters of Wisdom will receive a share of the surplus in respect of the nursing home operations equal to 50% of the net surplus but will contribute 50% of any net deficit. The 2023 surplus amounted to £nil (2022: £nil).

Further donations amounting to £9,529 (2022: £47,045) were made to various other charitable organisations and beneficiaries.

19. Pensions

The Trust operates a defined contribution scheme for the benefit of the employees and contributes both to personal pension plans, stakeholder pension plans of individual employees and the NEST auto-enrolment scheme. During the year total contributions made by the Trust were £565,882 (2022: £523,631) of which £406,443 (2022: £348,444) were to the NEST auto-enrolment scheme and £159,439 (2022: £175,187) were to the defined contribution scheme.

20. Leasing commitments

Operating lease payments amounting to £883,310 (2022: £577,340) are due within one year. The leases to which these amounts relate expire as follows:

	Land and buildings		Other	
	2023 £	2022 £	2023 £	2022 £
Operating leases which expire:				
Within one year	813,808	505,245	69,502	72,095
Within two to five years	3,237,938	1,087,608	43,636	118,365
Over 5 years	19,520,000	—	—	—
	23,571,746	1,592,853	113,138	190,460

Bankers:

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Solicitors:

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