

KATHARINE HOUSE HOSPICE TRUST

England & Wales · Charity number 297099

Details

Other names	KATHERINE HOUSE HOSPICE TRUST LIMITED, KATHARINE HOUSE, KATHARINE HOUSE HOSPICE
Status	Registered
Legal form	Charitable company
Company number	02133391
Registered	1987-06-26
Register	View on the Charity Commission register

Contact

Address	The Katharine House Hospice Aynho Road Adderbury Banbury OX17 3NL
Phone	01295811866
Email	GENERAL@KHH.ORG.UK
Website	www.khh.org.uk

Activities

Objects: (a) To provide a public benefit to support those with incurable illness and their families from diagnosis onwards directly and via partnership with other healthcare providers. With particular focus to funding and supporting the work of Katharine House Hospice in Adderbury, and the outreach to patients at home.(b) To educate and inform on end of life and palliative care, through outreach work in the community and the provision of funds and training. (c) To maintain the Katharine House Hospice building in Aynho Rd, Adderbury.

Activities: To promote the holistic welfare of those suffering terminal illness and to establish, maintain and manage a hospice. Physical, psychological, social and spiritual dimensions are addressed in equal balance for each individual within the context of their family. Patients may experience help from home care, day care, in-patient care, hospital support, lymphoedema care or home nursing.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** People With Disabilities, Other Defined Groups

Geography

- Northamptonshire
- Oxfordshire
- Warwickshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,321,304	£3,525,210	£5,228,173	49
2024-03-31	£2,688,025	£3,397,578	£5,513,672	44
2023-03-31	£2,764,531	£3,222,941	£5,956,635	40
2022-03-31	£3,028,082	£2,622,102	£6,607,492	37
2021-03-31	£4,920,259	£4,632,227	£6,015,708	84

Trustees

Name	Role	Appointed
Sir Tim Jenner	Chair	2019-05-02
Alan John Plumb		2025-10-23
Anne Catherine Tutt		2024-03-14
Benjamin Walmsley		2023-12-08
Bruce Eggeling		2025-10-23
Federica Ronco		2024-09-06
Geraldine Burke		2017-11-02
Katherine Shattock		2025-10-23

KATHARINE HOUSE HOSPICE TRUST

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Accounts



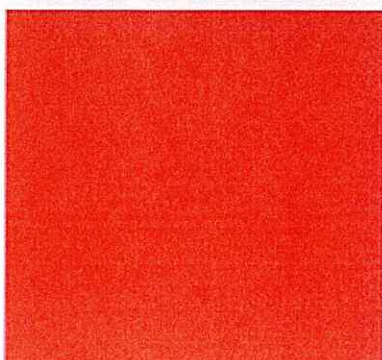
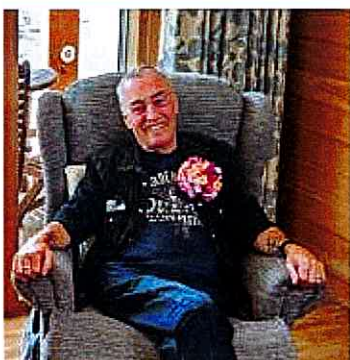
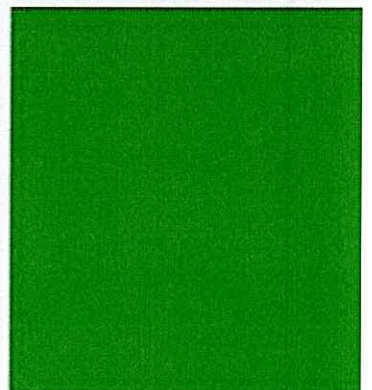
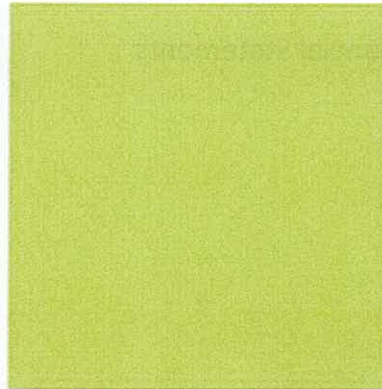
**KATHARINE
HOUSE
HOSPICE**

Annual Report

and Financial Statements

for the year ending 31 March 2025

**Katharine House Hospice Trust
(Company limited by guarantee)
Company No. 02133391
Registered Charity No. 297099**



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Reference and Administrative Details

Registered name: Katharine House Hospice Trust

Status: Katharine House Hospice Trust is a charitable company limited by guarantee, incorporated on 20 May 1987 and registered as a charity on 26 June 1987.

As Katharine House Hospice Trust is a company limited by guarantee it has no share capital, with all trustees being members of the company. The liability of the members is limited to £1 in the event of the winding up of the company.

Governing document: The company was established under Memorandum and Articles of Association which established the objects and powers of the charitable company.

Company number: 02133391 (registered in England and Wales)

Charity number: 297099

Registered office: Aynho Road, Adderbury, Banbury OX17 3NL

Trustees:

Lindsey Bowser	(resigned 23 March 2025*)
Geraldine Burke	
Claire Louise Dobbs	
Sir Tim Jenner	(Chair)
Richard Jones	(resigned 17 July 2025*)
Federica Ronco	(appointed 6 September 2024)
Samuel Shadbolt	(resigned 23 March 2025*)
Anne Tutt	
Benjamin Walmsley	
David Whittingham	(resigned 17 July 2025)

**end of term*

Senior leadership team:

Emma Radley	Chief Executive
Stephanie Lawless	Head of Fundraising
Scott Bloomfield	Head of Retail
Karen Welsh	Head of Marketing
Mark Wilson	Interim Head of Finance

Advisers:

Principal bankers:

Virgin Money

7 Gold Street
Northampton
NN1 1EN

HSBC

17 Market Place
Banbury
OX16 5ED

NatWest

1 Town Hall Buildings
Bridge Street
Banbury
OX16 5JS

Investment managers:

Rathbones incorporating Investec Wealth & Investment Ltd

30 Gresham Street
London
EC2V 7QN

CCLA Investment Management Ltd

1 Angel Lane
London
EC4R 3AB

Auditors:

Gravita Audit Oxford LLP

First Floor
Park Central
40-41 Park End Street
Oxford OX1 1JD

Solicitors:

Anthony Collins Solicitors

134 Edmund Street
Birmingham
B3 2ES

A word from our Chair

This year has once again presented us with a challenging environment, so I am pleased to be able to report that the services provided by Katharine House Hospice have continued to steadily expand. The number of beneficiaries we support has grown, while the partnership with Oxford University Hospitals NHS Foundation Trust (OUH) has consolidated, meaning that the quality of service has also been enhanced. It is enormously gratifying for our team to receive a regular stream of laudatory messages from patients and their families about the care and understanding they have received from us. The overall environment in which we seek to raise funds and deliver services has proved ever more demanding, so it is a measure of the hard work and dedication of all our people that I am able to remain optimistic about the future.

We have refined some elements of our partnership agreement with OUH, and an important change has been to take Catering services back under the charity's control. As a result, we have been able to enhance the offering for our patients and their families and have also opened a highly successful café for patients, families and staff. It is a relatively small measure, but the importance of high-quality catering at times to suit everyone is an enormous factor in making difficult times more comfortable.

Our financial position has remained stable. The tough environment experienced by all charities has not improved, but our strategic focus on the development of new funding streams has shown positive signs. We continue to run a deficit, but I am sure our long-term plan is bearing fruit and I can report clear signs of our plans delivering on our path to financial sustainability.

The wider scene will present new challenges. The funding of all NHS activity remains uncertain, and the palliative care sector's position remains particularly unclear. We have made some progress in pursuing our strategic objective of having a strong voice in influencing future direction within our area and will continue to press for a more cohesive approach in the development of services. Looking to the future, the debate on Assisted Dying will have a considerable bearing and we will continue to monitor developments.

All our activity is underpinned by the incredible support we receive from the community we serve. We remain exceptionally grateful for their generosity, not just financially, but also through the work of our army of volunteers who are playing an increasingly important role in progressing our work. The board of trustees are also, of course, volunteers and I am extremely grateful for their support and the strength of their inputs. Finally, our charity team has proved absolutely resilient and coherent throughout the year, and I pay tribute to their hard work and initiative in ensuring that Katharine House remains as successful as it has been in providing for all our beneficiaries.



Sir Tim Jenner

Chair of Trustees, Katharine House Hospice Trust

Report of the Board of Trustees (incorporating the Strategic Report)

The trustees present their annual report together with the audited financial statements for the year ending 31 March 2025. The format and content of the report and the financial statements comply with current statutory requirements, the charity's Memorandum and Articles of Association and the Charities Statement of Recommended Practice (FRS 102 second edition – October 2019) *Accounting and Reporting by Charities*.

1. Our partnership

Katharine House Hospice partners with Oxford University Hospitals NHS Foundation Trust (OUH) to provide specialist palliative care for adults with life-limiting conditions across north Oxfordshire, south Northamptonshire and south Warwickshire.

We fund care for people from diagnosis to end of life, including symptom management and pain relief throughout a person's illness. Care is not just about managing the physical symptoms of disease: our teams also provide emotional and spiritual support, helping our patients and their loved ones to access the practical help they need.

While many patients come into the hospice to receive their care, support is provided for many more in their own homes, care homes or in hospital.

2. Our impact

Katharine House Hospice provides a wide range of services to support adults with a life-limiting illness, as well as their family and friends, from the point of diagnosis onwards. Our holistic care, which is free of charge, considers the physical, emotional, social and spiritual needs of patients, either at the hospice, in their home or in hospital.

1,775 people were supported across all of Katharine House's services in 2024/25, where our specialist teams provided 7,790 incidences of care. As some people were supported across multiple services, this amounted to 1,167 individuals (2023-24: 1,069). Support across each specialist service was:

Service	Total number of individuals supported by each service		Admissions/appointments or incidents of care (* data not collected)	
	2024-25	2023-24	2024-25	2023-24
Inpatient Unit	232	245	257	259
Community nurses	432	421	3,180	1,661
Lymphoedema	389	269	864	726
Therapy	308	216	Ward – 566 Home – 683	Ward – 402 Home – *
Living Well	327	357	1,766	1,695
Bereavement	87	137	474	*
TOTAL	1,775	1,645	7,790	4,743

Inpatient Unit

Our team of specialist nurses and doctors care for patients in a calm, home-from-home environment. This personalised palliative care helps patients feel more like themselves again and enabled some patients to regain control of their symptoms and go home.

Our care team consider each of their patients individually, working hard to identify the specific actions that would help improve a person's physical health and wellbeing.

Community Palliative Care Team

Many people prefer to stay at home or in their usual place of residence during their illness and in their last few weeks of life, finding they are happier, calmer, and more able to manage their symptoms in familiar surroundings. Our Community Palliative Care Team (CPCT) make this possible by giving care and advice centred on symptom management and meeting the patient's emotional and practical needs, as well as offering support to the family and friends caring for them.

Therapy

Katharine House continues to build a therapy dream team dedicated to improving the physical and mental wellbeing of its patients. Consisting of an occupational therapist and two physiotherapists, the team has a host of different skills and experience which complement each other and enable it to provide an holistic approach for patients, both at the hospice and out in the community.

The team's aim is to help patients achieve the goals important to them, such as operating with greater mobility, independence and physical wellbeing.

Living Well – including Chaplaincy, Social Work and Music Therapy

The aim of Living Well is to enhance the wellbeing of people affected by a progressive incurable illness and our service continues to receive a steady flow of referrals from GP surgeries as well as self-referrals. The service is run by a specialist, multi-professional team which runs wellbeing activities such as:

- breathing workshops
- living with fatigue workshops
- a family carers group
- arts and crafts
- tai chi
- choir sessions
- music therapy.

Practical support is provided by social workers in areas of finance and benefits, with the chaplain being able to provide spiritual support to patients and their families.

Bereavement

Katharine House Hospice's Bereavement Services is there to provide a listening ear for the family and friends of our patients. The team are there to answer questions and provide some practical and emotional support as they come to terms with losing a loved one.

Volunteers

These services, together with the fundraising activities to fund them, cannot be delivered without the skill, expertise and dedication of our staff and our volunteers. We are very grateful to the many volunteers who give their time in support of the charity, whose hours and their Full Time Equivalent (FTE) people (with 1 FTE = 1,740 volunteer hours) this year have been:

Area	Volunteer Hours	Volunteer FTE
Shops	15,747	9.0
Reception	3,799	2.2
Fundraising and Events	2,721	1.6
Property and Facilities (including Gardening and Kitchen)	2,054	1.2
Living Well and Hospice Companions	1,700	1.0
Bereavement	848	0.5
Other	361	0.2
Ward reception	334	0.2
TOTAL 2025	27,564	15.9
TOTAL 2024	25,316	14.5

Using the benchmark of the National Living Wage of £11.44 per hour which operated throughout the 2024-25 financial year, the equivalent minimum cost of these hours would be £315,000 before employer national insurance and pension contributions. The contribution made by the volunteers means more money being channelled towards providing support to patients and their families.

3. Our objectives, mission, vision and values

Our objectives

- Achieve financial breakeven by 2028 and a surplus position by 2030.
- Collaborate with all stakeholders to create an agreed strategy for end of life and palliative care to enable an enhanced service offering.
- Educate our stakeholders about our services, the challenges we face and the commissioning nature of our relationship with OUH.
- Achieve maximum sustainability of our services.
- Ensure our people are supported, engaged and developed.

Our mission

To maximise income to fund the delivery of effective and compassionate palliative care and to advocate and influence for a palliative care system that meets the needs of our diverse community

Our vision

To ensure every moment matters for all patients and families affected by life-limiting illnesses in our community

Our values

Compassion

We act with compassion and integrity and ensure that everyone is treated with respect.

Inclusivity

We are committed to our whole community, regardless of background or circumstance.

Sustainability

We work to ensure the continued provision of quality palliative and end of life care in our community.

4. Public benefit statement

The trustees have referred to the Charities Act 2011 for guidance on public benefit when reviewing the aims and objectives of Katharine House Hospice and in planning its future activities and the OUH partnership. Consequently, they are able to confirm their belief that the hospice's activities are of public benefit and will continue to be so in the future. Our activities and achievements in furtherance of the public benefit are set out above.

5. Structure, governance and management

Governing document and structure

The company was registered in May 1987 (No. 02133391) with the governing instrument being its Memorandum and Articles of Association. The Articles state that the board of trustees shall have full discretion as to the admission of any person to membership of the association.

Katharine House Hospice Trust is a company limited by guarantee, having no share capital, with all trustees being members of the company. The liability of the members is limited to £1 in the event of the winding up of the company.

The board of trustees

The board of trustees meets quarterly to ensure effective governance of the charity. The Chief Executive is appointed by the board and has delegated responsibility for the day-to-day management of the charity with the support of the senior leadership team (SLT).

The board of trustees is fully committed to the financial stewardship, quality and safety of the charity.

The trustees are guided by an agreed scheme of corporate governance which sets out their responsibilities and those of the SLT. Potential conflicts of interest are addressed in a Conflict of Interests Policy and a register of trustees' interests is maintained. Potential conflicts of interest are addressed at every meeting of the trustees.

A trustees' skills matrix is used to determine the skills requirements when vacancies occur. A search is then undertaken, applicants are interviewed and a vote of members is taken to decide upon appointment.

New trustees undertake an induction programme designed to ensure their understanding of the trustee role and their knowledge of the hospice and wider hospice sector. As well as a review of core documents, the induction provides opportunities to meet with staff and volunteers across the hospice and to observe or shadow parts of our service delivery.

No trustee received any remuneration during the year (see note 9 to the financial statements). One trustee was reimbursed £584 of expenses for which reimbursement was waived as a donation to the charity (2024: £156).

Sub-committees

The board is advised by a range of sub-committees:

- Finance, Audit and Risk
- Income Generation
- General Management.

Organisation structure and key management personnel

Trustees are responsible for the strategic direction of the organisation. Day to day management is delegated to the SLT. The pay of the leadership team is set by trustees in line with the pay policy of the charity, which is in line with market rates for similar roles in the charity sector.

6. Strategic report

6.1 Fundraising activities, achievements and performance including fundraising disclosures under section 13 of the Charities Act 2016

Retail

Whilst income was £18k below that of last year, we exceeded the £1m target for the second year in a row, which is a great achievement given the challenges facing the High Street economy.

Fundraising

The charity's fundraising team is stable and utilising the full income stream portfolio, whilst monitoring the changing sector trends to adjust and respond. The team continued to feel the impact of the cost-of-living crisis, which directly affected individual gifts, community fundraising and event income. However, it is heartening that public engagement and willingness to take part in fundraising events remains strong.

There has also been significantly greater competition for trusts and grants, with further challenges posed by our partnership with the NHS resulting in ineligibility for funds received in the past.

To counteract a recognised drop in legacy income nationally, we have developed a long-term legacy strategy including collaborating with Hospice UK on a national legacy campaign.

Under the provisions of Section 13 of the Charities (Protection and Social Investment) Act 2016, Katharine House Hospice works with one external fundraising agency, The Fundraising Partnership (TFP), which is registered with the Fundraising Regulator and the Gambling Commission. TFP has an extensive Code of Professional Conduct and a Sensitivity and Vulnerability Policy. Together these meet and exceed all compliance requirements for the Chartered Institute of Fundraising and the Fundraising Regulator. All TFP fundraisers are trained to exceed this level, have been issued with a copy of the code and are inspected against it regularly.

TFP recruits compassionate fundraisers who raise awareness of the hospice's services as well as generating lottery income. The charity invested £83,351 in door-to-door canvassing to counteract our declining lottery income. The payback period on this investment is expected to be just over one year. The investment is expected to generate repeat lottery income for years to come, as well as resulting in longer-term supporter journeys and associated income. The Katharine House Hospice Lottery Steering Committee monitors the performance of TFP along with all other aspects of the lottery, including compliance checks. The lottery is licenced by the Gambling Commission.

The charity is a member of the Fundraising Regulator, The Charity Retail Association and The Chartered Institute of Fundraising. During the year, the charity had no complaints in its fundraising or lottery activities (2024: one fundraising and one lottery complaint). Our complaints policy and procedures are robust, and we take all supporter feedback seriously. We recognise the value of listening to all feedback and where a complaint indicates a shortcoming, we take the appropriate measures, whether in changing our procedures or providing training for staff to prevent recurrence of issues and improve supporter care.

Katharine House Hospice works within the Fundraising Code to ensure that vulnerable people are protected within all fundraising activities.

6.2 Financial review and significant events

Before revaluation of investments, for the financial year ending 31 March 2025, the hospice recorded a net reduction of £337k in unrestricted funds (2024: £684k reduction) and an increase of £51k in restricted funds (2024: £25k increase).

After revaluation of investments, the net reduction in funds for the year is £285k (2024: £443k reduction).

Income

Total income received in the year increased by 24% to £3,321k (2024: £2,688k) as shown below.

	Note	2025 £	2024 £	+/-%
Donations	2	942,811	821,937	+15
Legacies	2	654,523	174,362	+374%
Charitable activities (including statutory funding)	3	199,358	135,449	+47%
Retail income	4a	1,006,901	1,024,975	-2%
Other trading	4a	415,434	400,339	+4%
Investments	5	93,860	121,096	-22%
Other income	4b	<u>8,417</u>	<u>9,867</u>	n/a
		<u>3,321,304</u>	<u>2,688,025</u>	<u>+24%</u>

Donations

Income from donations for the year was £942k (2024: £822k) as investment in our community events and engagement with corporate organisations continue to reap benefits.

Legacies

Income from legacies for the year was £654k (2024: £174k). Whilst a strong legacy pipeline had been forecast for the year, we are very grateful for the generosity of those who bequeathed legacies to the charity. Legacy income is unpredictable but the pipeline for 2025-26 is encouraging.

Charitable activities (fees and grants)

Income from fees and grants for the year was £199k (2024: £135k). This year we received £33k from the Department of Health & Social Care to help support capital investment to improve patient welfare.

Retail income (charity shops)

The hospice runs seven shops and one online shop. Income from shops was £1,007k (2024: £1,025k). Income being over £1m for the second year running was a great result given the challenging times faced on the High Street.

Investment income

Investment income was £94k (2024: £121k). Falling interest rates and greater uncertainty in the markets has limited interest and dividend income this year.

Expenditure and staff costs

Expenditure for the year was £3,525k (2024: £3,398k) of which £1,331k (38%) related to staff costs (2024: £1,175k 35%).

During the year, catering staff and equipment was transferred to the charity from OUH with the aims of increasing patient service and providing the opportunity to generate additional income.

Other drivers of costs this year have been cost of living pay awards for staff, irrecoverable VAT and the costs of redundancies. In this last respect, the charity anticipated the additional employer national insurance costs that would arise from the beginning of April 2025 and undertook a restructure in early 2025 to mitigate this.

Payment for life care services

The charity provides a £1.2m payment to OUH to supply palliative and end of life care services as defined in the Integrated Service Model for Palliative Care. The vision is to provide equitable high quality holistic palliative and end of life care for the people of north Oxfordshire, south Northamptonshire and south Warwickshire, and those close to them, with advice and support being available 24/7. The partnership is structured to enable the hospice to become more resilient and able to influence changes to improve palliative and end of life care provision, to respond to unmet need and to reach under-served communities.

6.3 Investment policy and performance

In accordance with the Memorandum and Articles of Association, the trustees have the authority to invest in such stocks, shares, investments and property as they see fit. An agreed Investment Policy describes the trustees' investment aspirations which include:

- providing income
- providing enhanced value where possible
- avoiding undue risk by investing diversely and monitoring investments carefully
- avoiding investment in tobacco-related industries.

The combined performance of our investment fund managers showed a net capital loss (realised and unrealised) of £82k for the year (2024: gain £267k).

Our investment portfolio, including cash held within the portfolio, reduced in value to £3,451k (2024: £3,577k.)

Our bank deposits have decreased in value to £1k (2024: £353k). This is due to drawing down cash to cover the shortfall in the contribution from the charity towards the cost of the OUH grant.

6.4 Key risks

The charity has a risk management system to identify key risks that could affect the achievement of our objectives. The process focuses on four potential areas of risk, each falling under the auspices of one of the trustee committees and one of the members of the SLT. They are retail, fundraising, finance and general management (including the hospice premises).

The full risk management process is conducted quarterly and comprises the following steps:

- Risks are identified and reviewed together with any mitigation measures by the SLT.
- Risks are scored for impact and likelihood to give a risk score (before and after mitigation) by the SLT.
- Scored risks with mitigations are reviewed by the appropriate sub-committee and the risk register updated as appropriate.
- Scored risks with mitigations are reviewed by the finance, audit and risk committee, which has delegated responsibility for managing risk.
- The final risk register is reviewed and approved by the board of trustees.

The principal risk facing the charity is the cost-of-living crisis which continues to hit the UK and which puts pressure on individuals' disposable income. Whilst this may provide an opportunity for retail shop sales, the increased convenience of online selling platforms may divert merchandise to being sold, rather than donated, limiting the amount and quality of merchandise available to sell. We also face increased costs from suppliers as they have additional costs to cover, such as employers' national insurance.

The highest scoring and most strategic risk is that the fundraising environment will remain challenging or further deteriorate, and income will continue to lag expenditure. Having taken steps to reduce staffing costs in early 2025, work continues to address this.

6.5 Future plans

The charity is an organisation that exists to fund and direct the provision of palliative care to the community within our region. Our future plans include to:

- expand the range of volunteering opportunities to meet more of the needs of our patients and service users
- improve the existing retail estate and look to improve return on investment in lower performing outlets
- continue to increase the number of players in our lottery and ensure they are well supported
- expand our fundraising reach to improve our presence within our whole clinical catchment area.

6.6 Reserves policy

A traditional reserves policy uses time as a proxy for risk, however, there may be little or no understanding of the actual financial impact of the risks involved. Therefore, Katharine House Hospice has adopted a risk-based policy which allows us to be more precise about the reasons for needing reserves. Risks can also be managed in a dynamic way. In times of improved economic outlook, strong charity performance and low risk to income streams, much lower levels of reserves will be required. Conversely, in the current geopolitical environment with losses forecast and high uncertainty over some of our revenue projections, much higher reserves are required.

Free reserves policy

The charity defines free reserves as unrestricted reserves that are freely available to spend on any of the charity's purposes. Free reserves therefore exclude tangible fixed assets used to carry out the charity's activities, such as land and buildings.

Within unrestricted reserves, the charity's policy is to maintain free reserves sufficient to cover:

- liquidity
- projects (and project risks)
- structural work including repairs, refurbishments and dilapidations
- projected losses based on the current three-year plan
- risks of further losses based on the current three-year plan.

The risk of further losses is the risk of a shortfall in income (assessed by scoring each category of income using a risk matrix) less the potential for cost savings if income falls (assessed by scoring each category of cost using a commitment matrix).

As at 31 March 2025, the level of free reserves held was £3.633m (2024: 3.908m), compared to a risk-based reserves requirement of £3.006m. The gap between free reserves and the risk-based reserves requirement is expected to narrow in the medium term.

Restricted reserves policy

The charity holds restricted income in a restricted reserve until fully spent on the restricted purpose. If it is not possible to spend the funds as the donor intended, the donor will be approached and agreement reached on either reallocation or return of the funds.

7. Statement of accounting and reporting responsibilities

The trustees are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

Company and charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the charity's incoming resources and application of resources, including the charity's income and expenditure for that year. In preparing those financial statements, the trustees are required to:

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

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

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

8. Statement of disclosure of information to auditors

We confirm that, as far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors and Trustees report (Strategic Report) is approved on behalf of the trustees by:



Sir Tim Jenner
Chair of Trustees

23rd October 2025

**Independent Auditor's report to the members of
Katharine House Hospice Trust for the year ended 31 March 2025**

Opinion

We have audited the financial statements of Katharine House Hospice Trust for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Charity Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Director's 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 Katharine House Hospice Trust's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

Based on the work undertaken in the course of the audit:

- the information given in the Trustees' report, which includes the Directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and the strategic report included within the Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate and proper 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 the Trustees

As explained more fully in the Trustees' responsibilities statement [set out on page 16], 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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 Directors/Trustees, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company,
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- 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 assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and

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 meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

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.

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.



Robert Kirtland, Senior Statutory Auditor
for and on behalf of Gravita Audit Oxford LLP
Statutory Auditors
First Floor
Park Central
40-41 Park End Street
Oxford
OX1 1JD
29/10/2025

Katharine House Hospice Trust
Annual Report and Financial Statements for the year ending 31 March 2025
Statement of Financial Activities (Including Income and Expenditure account)

		Unrestricted	Restricted	2025 Total	Unrestricted	Restricted	2024 Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	2	1,573,666	23,668	1,597,334	964,560	31,739	996,299
Charitable activities	3	153,577	45,781	199,358	84,276	51,173	135,449
Retail activities	4a	1,006,901	-	1,006,901	1,024,975	-	1,024,975
Other trading activities	4a	415,434	-	415,434	400,339	-	400,339
Investments	5	93,860	-	93,860	121,096	-	121,096
Other Income	4b	8,417	-	8,417	9,867	-	9,867
Total income		3,251,855	69,449	3,321,304	2,605,113	82,912	2,688,025
Expenditure on:							
Raising funds	3	(1,134,831)	(13,022)	(1,147,853)	(966,730)	(46,766)	(1,013,496)
Retail activities	3	(915,546)	-	(915,546)	(840,219)	-	(840,219)
Charitable activities	3&7	(1,456,897)	(4,914)	(1,461,811)	(1,482,532)	(61,331)	(1,543,863)
Total expenditure	3	(3,507,274)	(17,936)	(3,525,210)	(3,289,481)	(108,097)	(3,397,578)
Net (expenditure)/ income before revaluation		(255,419)	51,513	(203,906)	(684,368)	(25,185)	(709,553)
Net gain/(loss) on investments		(81,593)	-	(81,593)	266,590	-	266,590
Net (expenditure)/ income for the year		(337,012)	51,513	(285,499)	(417,778)	(25,185)	(442,963)
Transfers between funds		-	-	-	814,221	(814,221)	-
Net movement of funds for the year		(337,012)	51,513	(285,499)	396,443	(839,406)	(442,963)
Reconciliation of funds:							
Balances brought forward 31 March 2024	18	5,498,454	15,218	5,513,672	5,102,011	854,624	5,956,635
Balances carried forward 31 March 2025	18	5,161,442	66,731	5,228,173	5,498,454	15,218	5,513,672

The notes on pages 21 to 38 form part of these financial statements.

		2025		2024	
	Note	£	£	£	£
Fixed assets:					
Intangible assets	11	16,000		-	
Tangible assets	12	1,545,573		1,590,870	
Investments	13	<u>3,450,839</u>		<u>3,577,212</u>	
			5,012,412		5,168,082
Current assets:					
Stock – goods for resale		-		-	
Debtors	14	195,330		282,085	
Cash at bank and in hand		586,303		621,263	
		<u>781,633</u>		<u>903,348</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	<u>(565,872)</u>		<u>(557,758)</u>	
Net current assets			215,761		345,590
Total net assets	17		<u>5,228,173</u>		<u>5,513,672</u>
Funds:					
Restricted income funds	18		66,731		15,218
Unrestricted & designated funds	18		5,161,442		5,498,454
Total funds	18		<u>5,228,173</u>		<u>5,513,672</u>

The notes on pages 21 to 38 form part of these financial statements.

These financial statements were approved and authorised for issue by the board of trustees on 23rd October 2025 and were signed on its behalf by:



Sir Tim Jenner
Chair of Trustees

Company Registration Number: 02133391

Katharine House Hospice Trust
Annual Report and Financial Statements for the year ending 31 March 2025
Statement of Cash Flows

	Note	2025	2024
		£	£
Cash flows from operating activities			
Net (expenditure) for the reporting period (as per the Statement of Financial Activities)		(203,906)	(709,553)
Depreciation of fixed assets	8	78,663	76,337
Transfer in of fixed assets at net book value	12	(11,978)	-
Dividends, interest, and rent from investments	5	(93,860)	(121,096)
Decrease in debtors		99,763	15,688
(Decrease)/increase in creditors		(4,894)	(24,960)
Net cash from operating activities		(136,212)	(763,584)
Cash flows from investing activities:			
Interest received	5	4,458	29,297
Dividends received	5	89,402	91,799
Purchase of intangible fixed assets	11	(16,000)	-
Purchase of tangible fixed assets	12	(21,388)	(18,669)
Proceeds from sale of investments		338,504	373,815
Purchase of investments	13	(291,387)	(393,177)
Net cash (used in) investing activities		103,589	83,065
Change in cash and cash equivalents in the year		(32,623)	(680,519)
Cash and cash equivalents at the beginning of the year		662,912	1,343,431
Cash and cash equivalents at the end of the year		630,289	662,912
Cash and cash equivalents are held as follows:			
Cash held in operations		585,760	267,792
Cash held on deposit		543	353,471
Total cash at bank and in hand		586,303	621,263
Cash held in investments	13	43,986	41,649
Cash and cash equivalents at the end of the year		630,289	662,912

Notes to the financial statements for the year ending 31 March 2025

Statutory information

Katharine House Hospice Trust Ltd is a private company limited by guarantee, registered in England and Wales, registration no. 2133391. The registered office is Aynho Road, Adderbury, Banbury OX17 3NL.

Compliance with accounting standards

The format and content of the financial statements have been prepared in accordance with the Charities SORP (FRS 102), the Charities Act 2011, the Companies Act 2006 and FRS 102.

Public Benefit Entity

The charity is a public benefit entity.

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below and have remained unchanged from the previous period.

(a) Going concern and presentation currency

The financial statements have been prepared on a going concern basis under the historical cost convention, modified by the inclusion of fixed asset investments at their market value.

At the time of approving the accounts, the trustees have a reasonable expectation that Katharine House Hospice has adequate resources to continue in operational existence for the foreseeable future. The trustees consider there are no material uncertainties about the charity's ability to continue and adopt the going concern basis of accounting in preparing the accounts.

The financial statements are prepared in £ sterling, rounded to the nearest £, which is the functional currency of the company.

(b) Basis of preparation of charity financial statements

The charity had one dormant subsidiary undertaking, Katharine's Cupboard Limited, which was dissolved in the previous year and was clearly immaterial in considering the financial position of the charity (see note 14). Therefore, the charity has decided not to prepare consolidated accounts.

The charity has adapted the Companies Act format of the financial statements to reflect the special nature of the charity's activities.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income, the amount can be quantified with reasonable accuracy and it is probable that the income will be received. The following specific policies are applied to categories of income:

Donations are accounted for as received by the charity.

Gifts in kind: Estimating the fair value of donated goods for resale is impractical because of the volume of low-value items received. Therefore, donated goods for resale are not recognised on receipt. Instead, the value to the charity of the donated goods sold is recognised as income when sold. Other gifts in kind, including donated facilities and services, are recognised in income at their fair value.

Legacy income is recognised at the earlier of receipt or when all the following conditions have been met:

- Probate has been granted.
- The charity is able to measure the value of its entitlement accurately and confirm that there are sufficient funds to pay the legacy.
- Any conditions attached to the legacy are either within the control of the charity or have been met.

Shop income is recognised on a cash receipt basis.

Lottery income is recognised when allocated to the current week's draw. Lottery funds received and not drawn before the balance sheet date are recorded as deferred income and included within creditors in the balance sheet. Raffle income is also recognised when the raffle is drawn.

Income from fundraising ventures is shown gross, with the associated costs included within fundraising costs.

Investment income is included when receivable. Realised and unrealised gains and losses are dealt with in the Statement of Financial Activities.

Grant income, including government grants, is recognised when receivable and conditions for receipt have been complied with. The charity considers that where a term or condition simply restricts the use of a grant, this does not affect a charity's entitlement to the gift and recognition of income.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as irrecoverable VAT in the appropriate expense category. Expenditure is categorised under the following headings:

Raising funds: Costs of raising funds comprise costs incurred in encouraging people and organisations to contribute financially to the charity's work. This includes the cost of advertising for donations, the running of the lottery including prize money, costs associated with the staging of special fundraising events and investment managers' costs.

Retail activities: Costs of retail activities comprise costs associated with the running of the shops.

Charitable activities: Costs of charitable activities comprise those costs incurred by the charity in grant funding and supporting the delivery of specialist palliative care and associated services for patients with a terminal illness.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly to that activity, with remaining support costs (which include office costs, governance costs and administrative payroll costs) being allocated to a particular activity on an appropriate basis as set out in notes 6 and 7.

The cost of the annual payment to the OUH is accounted for as services are provided.

(e) Fixed asset investments

Fixed interest investments are held to maturity for the purposes of income generation and capital appreciation; the trustees consider it appropriate to show these at cost less amortisation of premium paid.

Listed equities are stated at market value as at the balance sheet date. Realised and unrealised gains and losses on investments during the year are dealt with in the Statement of Financial Activities. Cash held in investments is included in investments rather than cash at bank and in hand.

Net gain/loss on investments includes both realised and unrealised gains/losses on the revaluation/sale of investments.

(f) Current asset investments

Investments held for resale are included in current assets.

(g) Intangible assets

Intangible assets are amortised on a straight-line basis over their useful lives as follows:

Computer software 25%

In the Statement of Financial Activities, the amortisation charge is allocated between expenditure on raising funds and charitable activities.

(h) Tangible fixed assets

Tangible fixed assets are included in the financial statements at historical cost, less accumulated depreciation. Depreciation of tangible fixed assets is provided on a straight-line basis, calculated at annual rates estimated to write off each asset over the term of its useful life. The depreciation rates applicable are:

Freehold land	nil
Freehold buildings	2%
Leasehold property	period of the lease
Motor vehicles, office and computer equipment	10%, 20% and 33 1/3%
Assets under construction	zero

(i) Stock

Any stocks of goods for resale are felt by the trustees to be insignificant and are only carried at cost if purchased at the year end.

(j) Taxation

The company is registered as a charity and is not liable to corporation tax on its charitable activities.

(k) Value Added Tax

The company is partially exempt for the purposes of VAT.

(l) Pension costs

Retirement benefits are provided to employees by way of various pension schemes as set out in note 10 to the financial statements. Contributions payable to these pension schemes are charged in the Statement of Financial Activities in the period to which they relate. Any differences between the contributions payable in the year and those actually paid are included within creditors in the balance sheet. FRS 102 requires fixed payments amounts to be included on the balance sheet.

(m) Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the term of the lease.

(n) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, funding providers or which have been raised by the company for a particular purpose. The costs of raising and administering such funds are charged against the specific fund.

(o) Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due.

(p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term, highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(q) Creditors and provisions

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated

reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(r) Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Income from donations and legacies

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Donations	919,143	23,668	942,811	790,198	31,739	821,937
Legacies	654,523	-	654,523	174,362	-	174,362
	<u>1,573,666</u>	<u>23,668</u>	<u>1,597,334</u>	<u>964,560</u>	<u>31,739</u>	<u>996,299</u>

3. Income from charitable activities

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Fees and grants	153,577	45,781	199,358	84,276	51,173	135,449
	<u>153,577</u>	<u>45,781</u>	<u>199,358</u>	<u>84,276</u>	<u>51,173</u>	<u>135,449</u>

4a. Income from retail and other trading activities

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Charity shop income	1,006,901	-	1,006,901	1,024,975	-	1,024,975
Total retail	<u>1,006,901</u>	<u>-</u>	<u>1,006,901</u>	<u>1,024,975</u>	<u>-</u>	<u>1,024,975</u>
Lottery	215,264	-	215,264	162,080	-	162,080
Other fundraising income	200,170	-	200,170	238,259	-	238,259
Total other trading activities	<u>415,434</u>	<u>-</u>	<u>415,434</u>	<u>400,339</u>	<u>-</u>	<u>400,339</u>

4b. Other income

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Insurance claims	542	-	542	700	-	700
Finance services	7,875	-	7,875	9,167	-	9,167
	<u>8,417</u>	<u>-</u>	<u>8,417</u>	<u>9,867</u>	<u>-</u>	<u>9,867</u>

5. Income from investments

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Dividends – Equities	89,402	-	89,402	91,799	-	91,799
Interest - Securities	711	-	711	-	-	-
Interest – Deposits	<u>3,747</u>	<u>-</u>	<u>3,747</u>	<u>29,297</u>	<u>-</u>	<u>29,297</u>
	<u><u>93,860</u></u>	<u><u>-</u></u>	<u><u>93,860</u></u>	<u><u>121,096</u></u>	<u><u>-</u></u>	<u><u>121,096</u></u>

Represented by:

6. Total expenditure

	Basis of allocation	Retail		-----Raising Funds-----			Charitable		2025 Total	2024
		Charity shops	Charity lottery	Fund-raising	Investment income	Charitable activities				
		£	£	£	£	£	£	£	£	
Costs directly allocated to charitable activities										
OUH grant payments*	Direct	-	-	-	-	1,205,500	1,205,500	1,400,000		
OUH EDI officer*	Direct	-	-	-	-	-	-	28,016		
Hospice support costs	Direct	-	-	-	-	156,994	156,994	22,172		
Staff costs	Direct	379,489	-	461,256	-	-	840,745	821,947		
Rent & other shop costs	Direct	245,050	-	-	-	-	245,050	239,382		
Merchandise costs	Direct	24,827	-	-	-	-	24,827	33,752		
Staff training, welfare	Direct	1,161	-	734	-	-	1,895	4,330		
Staff and patient travel	Direct	4,267	-	163	-	-	4,430	5,029		
Waste removal	Direct	24,490	-	-	-	-	24,490	21,658		
Lottery prizes & costs	Direct	-	188,106	-	-	-	188,106	102,321		
Other fundraising costs	Direct	-	-	135,539	-	-	135,539	119,620		
Irrecoverable VAT	Direct	-	-	17,583	-	-	17,583	13,395		
Investment manager costs	Direct	-	-	-	16,860	-	16,860	15,511		
Depreciation	Direct	10,082	-	1,988	-	1,462	13,532	37,288		
		689,366	188,106	617,263	16,860	1,363,956	2,875,551	2,864,421		
Support costs allocated to other activities										
Hospice communications	Hours	4,316	4,316	77,691	-	43,162	129,485	116,943		
Administration staff costs	Income	158,026	33,784	134,138	-	-	325,948	274,679		
Admin & office expenses	Income	23,217	4,964	19,708	-	-	47,889	44,168		
Utilities & services	Income	12,714	2,718	10,792	-	-	26,224	20,994		
Repairs and maintenance	Income	4,191	896	3,558	-	-	8,645	11,806		
Governance	Income	11,001	2,352	9,338	-	-	22,691	16,235		
Irrecoverable VAT	Income	11,464	2,451	9,731	-	-	23,646	9,283		
Depreciation	Floor	1,251	534	8,653	-	54,693	65,131	39,049		
		226,180	52,015	273,609	-	97,855	649,659	533,157		
Total expenditure 2025		915,546	240,121	890,872	16,860	1,461,811	3,525,210	3,397,578		
Total expenditure 2024		840,219	133,464	864,521	15,511	1,543,863	3,397,578	3,222,941		

	Restricted			Restricted		
	Unrestricted	2025 Total	2024 Total	Unrestricted	2024 Total	2024 Total
	£	£	£	£	£	£
Raising funds	1,134,831	13,022	1,147,853	966,730	46,766	1,013,496
Retail activities	915,546	-	915,546	840,219	-	840,219
Charitable activities	1,456,897	4,914	1,461,811	1,482,532	61,331	1,543,863
	3,507,274	17,936	3,525,210	3,289,481	108,097	3,397,578

*Oxford University Hospitals NHS Foundation Trust

7. Expenditure on charitable activities

	Basis of allocation	2025 £	2024 £
Costs directly allocated to charitable activities:			
OUH Grant payments	Direct	1,205,500	1,400,000
OUH EDI officer	Direct	-	28,016
Hospice support costs	Direct	156,994	22,172
Depreciation	Direct	1,462	23,879
		1,363,956	1,474,067
Support costs allocated:			
Hospice communications	Hours	43,162	38,981
Depreciation	Floor	54,693	30,815
Total expenditure		1,461,811	1,543,863
Charitable expenditure by service			
		2025 £	2024 £
OUH Grant payments (all services)		1,205,500	1,400,000
OUH EDI officer (all services)		-	28,016
Hospice support costs (all services)		156,994	22,172
Hospice communications (all services)		43,162	38,981
Inpatient Unit		27,606	27,607
Living Well		19,384	19,383
Community Nurses (CPCT)		3,082	3,082
Lymphoedema		616	616
Bereavement service		616	616
Welfare & education		4,852	3,390
Total expenditure (all services)		1,461,812	1,543,863

With effect from 1 April 2021, all the clinical services previously provided by Katharine House have been carried out by OUH to the same high standards of care that were previously provided by Katharine House. Payments have been made to OUH totalling £1,205,500 (2024: £1,400,000) for the purpose of providing funding to facilitate the Trust in carrying out the services.

8. Net income/(expenditure) for the year

This is stated after charging/(crediting):

	2025 £	2024 £
Depreciation of fixed assets	78,663	76,337
Operating lease rentals:		
Property	137,990	136,729
Other	12,303	8,312
Auditor's remuneration (excluding VAT):		
Audit	11,500	10,650
	<u>78,663</u>	<u>76,337</u>

9. Staff costs and numbers

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	1,134,841	1,034,693
Redundancy and termination costs	28,541	-
Social security costs	95,220	83,136
Pension costs	72,739	57,776
	<u>1,331,341</u>	<u>1,175,605</u>

Redundancy and termination payments are accounted for in the period in which the payments were made. During the current financial year, such payments amounted to £28,541 (2024: nil).

Staff numbers

The average number of employees, and full time equivalent (FTE) employees, employed by the charity during the year was:

	2025 FTE	2024 FTE	2025 No.	2024 No.
Charitable activities	3	-	6	-
Support activities	6	6	8	9
Raising funds	<u>28</u>	<u>28</u>	<u>35</u>	<u>35</u>
	<u>37</u>	<u>34</u>	<u>49</u>	<u>44</u>

The number of employees whose total employee benefits (excluding employer pension costs) exceeded £60,000, for the reporting period fell within each band of £10,000 as follows:

	2025 No.	2024 No.
£70,000-£79,999	-	1
£80,000-£89,999	1	-
	<u>1</u>	<u>1</u>

The key management personnel of the Trust comprise the trustees, the Chief Executive and the SLT. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £336,182 (2024: £302,219).

The charity trustees were neither paid nor received any other benefits from employment with the Trust or its subsidiary in the year (2024: £nil). One trustee was reimbursed £584 for expenses incurred during the year (2024: £156 paid to one trustee for attendance at one event). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

The role played by volunteers is disclosed in the trustees' report (page 6).

10. Pension costs

Aviva pension scheme – defined contribution scheme

The current scheme operated by the company is administered by Aviva and is a group personal pension scheme with defined contribution rules. The assets of the pension scheme are held separately from those of the charity in independently administered funds.

The scheme was set up in 2008 with both a flexible contribution rate from the employer and an opportunity for employees to contribute via a salary sacrifice arrangement which the trustees felt fairly reflected a modern pension scheme for its employees. Since May 2014, this scheme has been used as the company's auto enrolment scheme.

The company's contributions to the scheme in the current year are based on a contribution rate of up to 13% of pensionable pay (2024: up to 13% of pensionable pay). There is also an option to make contributions to the scheme through a salary sacrifice – the company contribution rate with salary sacrifice is up to 21%, based on a 7% salary sacrifice (2024: up to 21%, based on a 7% salary sacrifice).

The pension costs for the year ending 31 March 2025, as included in the Statement of Financial Activities, amounted to £58,660 (2024: £57,776). The balance owing to the scheme as at 31 March 2025 is £10,248 (2024: £7,989).

Pension costs are allocated to activities based on the job description of each employee. Where an employee is part funded from a restricted fund for a specific project, a proportion of their pension is allocated to that fund. All other pension costs are allocated to unrestricted funds.

NHS pension scheme – defined benefit scheme

During the year, staff and equipment providing catering services to the hospice were transferred into the charity from OUH.

Staff were transferred under Transfer of Undertakings (Protection of Employment) Regulations 2006 which, amongst other protections, allowed staff to retain their participation in the NHS pension scheme.

At the Balance Sheet date, the charity had yet to be established as a participating employer to the scheme and contributions were held, pending admission. The pension costs for the year ending 31 March 2025, as included in the Statement of Financial Activities, amounted to £14,079 (2024: £nil) The balance owing to the scheme as at 31 March 2025 is £14,079 (2024: £nil).

Details of the benefits payable and rules of the scheme can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution

scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the Government's Financial Reporting Manual ('FReM') requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years".

An outline of these is as follows:

(a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2025 is based on valuation data as at 31 March 2023, updated to 31 March 2025 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

(b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (considering recent demographic experience) and to recommend the contribution rate payable by employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as of 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

11. Fixed assets – Intangible

	Computer software £	Total £
Cost		
At 1 April 2024	271	271
Additions in year	16,000	16,000
Disposals in year	<u>(271)</u>	<u>(271)</u>
At 31 March 2025	<u>16,000</u>	<u>16,000</u>
Amortisation		
At 1 April 2024	271	271
Charge for the year	-	-
Disposals in year	<u>(271)</u>	<u>(271)</u>
At 31 March 2025	<u>-</u>	<u>-</u>
Net book value		
At 31 March 2025	<u>16,000</u>	<u>16,000</u>
At 1 April 2024	<u>-</u>	<u>-</u>

All the above assets are used for charitable purposes.

Intangible asset additions in the year were funded by a grant received from the Department of Health and Social Care via Hospice UK. These are included as Restricted Funds in Note 17(a).

12. Fixed assets – Tangible

	Freehold land and buildings £	Leasehold improvement £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2024	2,831,171	69,409	134,113	18,420	3,053,113
Additions in year	-	1,864	19,524	-	21,388
Transfers in	-	-	34,869	-	34,869
Disposals in year	<u>-</u>	<u>-</u>	<u>(703)</u>	<u>-</u>	<u>(703)</u>
At 31 March 2025	<u>2,831,171</u>	<u>71,273</u>	<u>187,803</u>	<u>18,420</u>	<u>3,108,667</u>
Depreciation					
At 1 April 2024	1,338,867	40,600	65,792	16,984	1,462,243
Charge for the year	56,223	5,251	16,039	1,150	78,663
Transfers in	-	-	22,891	-	22,891
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(703)</u>	<u>-</u>	<u>(703)</u>
At 31 March 2025	<u>1,395,090</u>	<u>45,851</u>	<u>104,019</u>	<u>18,134</u>	<u>1,563,094</u>
Net book value:					
At 31 March 2025	<u>1,436,081</u>	<u>25,422</u>	<u>83,784</u>	<u>286</u>	<u>1,545,573</u>
At 1 April 2024	<u>1,492,304</u>	<u>28,809</u>	<u>68,321</u>	<u>1,436</u>	<u>1,590,870</u>

Fixtures and fittings additions costing £17,504 were funded by a grant received from the Department of Health and Social Care via Hospice UK. These are included as Restricted Funds in Note 17(a).

Land with a value of £20,000 (2024: £20,000) is included in Freehold land and buildings and is not depreciated. All the above assets are used for charitable purposes.

13. Investments

	Fixed Interest £	Listed equities at market value £	Charity total £
Fair value at 1 April 2024	9,000	3,526,563	3,535,563
Additions	29,002	262,385	291,387
Disposals	(15,000)	(341,300)	(356,300)
Revaluation during the year	-	(63,797)	(63,797)
Fair value at 31 March 2025	<u>23,002</u>	<u>3,383,851</u>	3,406,853
Cash held in investments			43,986
Net book value at 31 March 2025			<u>3,450,839</u>
Fair value on 31 March 2024	<u>9,000</u>	<u>3,526,563</u>	<u>3,535,563</u>
Cash held in investments			<u>41,649</u>
Net book value at 31 March 2024			<u>3,577,212</u>

The historical cost of listed equity investments included above at market value is £3,089,224 (2024: £3,154,120).

14. Debtors

	2025 £	2024 £
Trade debtors	12,118	42,161
Other debtors	-	2,861
Prepayments & accrued income	173,212	208,247
Legacies receivable	10,000	25,000
VAT recoverable	-	3,816
	<u>195,330</u>	<u>282,085</u>

15. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	368,634	427,983
Taxation and social security	25,033	20,495
Other creditors	24,328	7,989
Accruals	25,181	45,425
Deferred income (note 16)	114,302	55,866
VAT payable	8,394	-
	<u>565,872</u>	<u>557,758</u>

16. Deferred income

	2025 £	2024 £
Balance at the beginning of the year	55,866	107,835
Amount released to income in the year	(55,866)	(69,676)
Amount deferred in the year	<u>114,302</u>	<u>17,707</u>
Balance at the end of the year	<u><u>114,302</u></u>	<u><u>55,866</u></u>

Lottery and raffle income received in advance is deferred to the date of the prize draw.

17. (a) Analysis of net assets between funds – current year

	General unrestricted £	Designated lottery fund	Restricted funds £	Total funds £
Intangible assets	-	-	16,000 **	16,000
Tangible assets	1,528,069	-	17,504 **	1,545,573
Investments	3,450,839 *	-	-	3,450,839
Net current assets	<u>157,050 *</u>	<u>25,484 *</u>	<u>33,227</u>	<u>215,761</u>
Net assets at 31 March 2025	<u>5,135,958</u>	<u>25,484</u>	<u>66,731</u>	<u>5,228,173</u>
* Free reserves	<u>3,607,889</u>	<u>25,484</u>	<u>-</u>	<u>3,633,373</u>

** Intangible and tangible assets costing £33,504 in total were funded by a grant from the Department of Health and Social Care, received via Hospice UK.

17. (b) Analysis of net assets between funds - prior year

	General unrestricted £	Designated lottery fund	Restricted funds £	Total funds £
Tangible assets	1,590,870	-	-	1,590,870
Investments	3,577,212 *	-	-	3,577,212
Net current assets	<u>321,537 *</u>	<u>8,835 *</u>	<u>15,218</u>	<u>345,590</u>
Net assets at 31 March 2024	<u>5,489,619</u>	<u>8,835</u>	<u>15,218</u>	<u>5,513,672</u>
* Free reserves	<u>3,898,749</u>	<u>8,835</u>	<u>-</u>	<u>3,907,584</u>

18. (a) Movement on funds – current year

	As at 1 April 2024 £	Income £	Expenditure & Losses £	Transfers and Gains £	As at 31 March 2025 £
Restricted funds:					
Hospice staffing	1,260	9,725	(4,592)	-	6,393
Patient Welfare	2,718	299	(322)	-	2,695
Chapel	85	-	-	-	85
Equipment	500	11,978	(1,353)	-	11,125
Grounds and Gardens	655	7,943	(7,192)	-	1,406
Fundraising	-	6,000	-	-	6,000
EDI	5,523	-	-	-	5,523
Sustainability	4,477	-	(4,477)	-	-
DHSC Capital	-	33,504	-	-	33,504
Total restricted funds	<u>15,218</u>	<u>69,449</u>	<u>(17,936)</u>	<u>-</u>	<u>66,731</u>
Designated & general funds:					
Designated lottery fund	8,835	100,000	(83,351)	-	25,484
General funds	<u>5,489,619</u>	<u>3,151,855</u>	<u>(3,423,923)</u>	<u>(81,593)</u>	<u>5,135,958</u>
Total unrestricted funds	<u>5,498,454</u>	<u>3,251,855</u>	<u>(3,507,274)</u>	<u>(81,593)</u>	<u>5,161,442</u>
Total funds	<u><u>5,513,672</u></u>	<u><u>3,321,304</u></u>	<u><u>(3,525,210)</u></u>	<u><u>(81,593)</u></u>	<u><u>5,228,173</u></u>

Restricted funds:

Hospice Staffing Fund – This fund represents donations received with the specific request that they be used to defray the cost of hospice staffing.

Patient Welfare Fund – This fund represents donations received with the specific request that they be used to defray the cost of projects that enhance patient wellbeing and welfare. This includes Art Room supplies, massage and therapy supplies, musical instruments, games, and stories for life.

Chapel Fund – This fund represents donations received with the specific request that they be used to defray the cost of running of our chapel.

Equipment Fund – This fund represents donations received with the specific request that they be used to purchase new equipment.

Grounds and Gardens Fund - This fund represents donations received with the specific request that they be used to defray the cost of the upkeep of our grounds and gardens, which help create an atmosphere of peace and tranquillity at the hospice for all those who come to us.

Fundraising Fund - This fund represents donations received with the specific request that they be used to defray the cost of running fundraising events.

EDI Fund - This fund represents donations received with the specific request that they be used to defray the cost of managing the project *"Inclusion Matters": Creating a culture of equality, diversity and inclusion at Katharine House Hospice and Sobell House.*

DHSC Capital – This fund represents funding received from the Department of Health and Social Care for capital expenditure on upgrading hospice security systems, IT hardware and software to improve services to patients.

Fund descriptions and policy

A summary of the risk-based reserves policy is provided in the trustees' report. Overall, the charity needs to retain £3.0m (2024: £3.0m) of free reserves to satisfy the full ongoing reserves requirement. This will enable Katharine House Hospice Trust to manage short-term losses of statutory or fundraising income and provide sufficient time to plan any changes required to future service delivery.

Designated and unrestricted funds:

Designated lottery development fund – In order to safeguard stakes, The Gambling Commission stipulates that all lottery development is funded from reserves. Therefore, the trustees have designated a fund for us to partner with a face-to-face charity fundraising company to canvass for new lottery players. In addition, the lottery is operated from separate bank accounts, and enough money is retained in the lottery bank to cover 110% of any advanced stakes and all outstanding prizes (subject to the terms of the lottery).

General fund - This fund recognises the need to protect hospice services in the light of the challenges faced by all within the hospice sector of maintaining and building both statutory and fundraising income, and the high level of costs incurred. This fund will continue to be treated as unrestricted funding, in line with the wider charity sector.

18. (b) Movement on funds – prior year

	As at 1 April 2023 £	Income £	Expenditure & Losses £	Transfers and Gains £	As at 31 March 2024 £
Restricted funds:					
Hospice Staffing	-	4,240	(2,980)	-	1,260
Hospice Companion	14,011	-	(14,011)	-	-
Patient Welfare	3,375	-	(657)	-	2,718
Chapel	4,180	1,000	(5,095)	-	85
Equipment	4,635	19,114	(23,249)	-	500
Projects	46,497	-	(10,772)	(35,725)	*
Grounds and Gardens	1,091	1,575	(2,011)	-	655
Fundraising	-	16,000	(16,000)	-	-
EDI	2,339	31,000	(27,816)	-	5,523
Sustainability	-	9,983	(5,506)	-	4,477
OUH Capital	778,496	-	-	(778,496)	**
Total restricted funds	<u>854,624</u>	<u>82,912</u>	<u>(108,097)</u>	<u>(814,221)</u>	<u>15,218</u>
Unrestricted funds:					
Designated lottery fund	-	50,000	(41,165)	-	8,835
General funds	<u>5,102,011</u>	<u>2,555,113</u>	<u>(3,248,316)</u>	<u>1,080,811</u>	<u>5,489,619</u>
Total unrestricted funds	<u>5,102,011</u>	<u>2,605,113</u>	<u>(3,289,481)</u>	<u>1,080,811</u>	<u>5,498,454</u>
Total funds	<u><u>5,956,635</u></u>	<u><u>2,688,025</u></u>	<u><u>(3,397,578)</u></u>	<u><u>266,590</u></u>	<u><u>5,513,672</u></u>

* A fund held for the Oxford Palliative Care Network was transferred to Helen and Douglas House Children's Hospice under a TUPE agreement.

** During the year ending 31 March 2024 The Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB), as the organisation which evolved from the Oxfordshire Clinical Commissioning Group (CCG), released any restriction on grants awarded to Katharine House Hospice Trust by the Oxfordshire CCG in March 2021 and March 2022.

19. Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases were as follows:

	2025	2024
	£	£
Less than one year	138,559	143,959
One to five years	67,583	236,783
Over five years	-	-
	<u>206,142</u>	<u>380,742</u>

20. Commitments including grant commitments

As at 31 March 2025, the charity had no capital commitments (2024: £nil).

During the year, Katharine House Hospice Trust entered into a three-year agreement with OUH to provide funding of up to £1.2m per year for hospice and palliative care services, funded from ongoing fundraising activities and reserves.

21. Contingent liabilities

Contingent liabilities

As at 31 March 2025, the charity had £60k of estimated contingent liabilities (2024: £50k).

There has been some movement in the structure of the hospice building that we have worked to stabilise. While structural engineers' opinions advise it is not a serious problem, it is difficult to plan for any remedial work or to estimate the financial effect of any work that may be required. Any expense will be met from reserves.

The charity also has eight tenant repairing leases within our retail operations. There are only minimal current dilapidations but there is a contingent liability for future dilapidations. Considering the expected condition of each property at return (and using rent as a proxy for the size and initial condition), the contingent dilapidations liability is estimated to be in the region of £60k. This represents an increase of £10k over the last year to allow for inflation.

22. Related party transactions

There were no related party transactions (2024: £nil)

23. Taxation

The charity is exempt from corporation tax as all its income is charitable and applied for charitable purposes.

KATHARINE HOUSE HOSPICE TRUST

England & Wales - Charity number 297099

Accounts



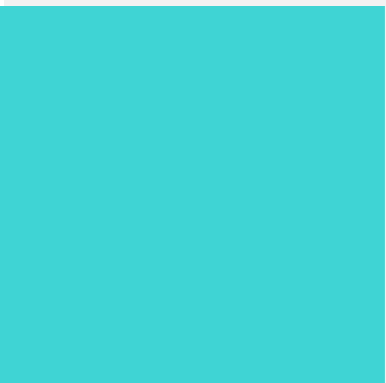
**KATHARINE
HOUSE
HOSPICE**

Annual Report

and Financial Statements

for the year ending 31 March 2024

**Katharine House Hospice Trust
(Company limited by guarantee)
Company No. 02133391
Registered Charity No. 297099**



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“ You truly made an
unbearable time
bearable. ”



Reference and Administrative Details

Registered name: Katharine House Hospice Trust

Status: Katharine House Hospice Trust is a charitable company limited by guarantee, incorporated on 20 May 1987 and registered as a charity on 26 June 1987.

As Katharine House Hospice Trust is a company limited by guarantee it has no share capital, with all trustees being members of the company. The liability of the members is limited to £1 in the event of the winding up of the company.

Governing document: The company was established under Memorandum and Articles of Association which established the objects and powers of the charitable company.

Company number: 02133391 (registered in England and Wales)

Charity number: 297099

Registered office: Aynho Road, Adderbury, Banbury OX17 3NL

Trustees:

Lindsey Bowser

Geraldine Burke

Sir Tim Jenner (Chair)

Richard Jones

Dr Christina Lloyd (resigned 14 March 2024*)

Catherine Teideman (resigned 28 March 2024*)

Robbie Cooke (resigned 14 March 2024*)

Samuel Shadbolt

Claire Louise Dobbs

Benjamin Walmsley (appointed 8 December 2023)

David Whittingham (appointed 8 December 2023)

Anne Tutt (appointed 14 March 2024)

*end of term

Senior Leadership Team:

Emma Radley Chief Executive (appointed 9 May 2023)

Stephanie Lawless Head of Fundraising

Jeremy Childerstone Head of Finance

Karen Welsh Head of Marketing and Communications

Scott Bloomfield Head of Retail



Advisers

Principal bankers:

Virgin Money
7 Gold Street
Northampton
NN1 1EN

HSBC
17 Market Place
Banbury
OX16 5ED

NatWest
1 Town Hall Buildings
Bridge Street
Banbury
OX16 5JS

Investment managers:

Rathbones incorporating Investec Wealth & Investment Ltd
30 Gresham Street
London
EC2V 7QN

CCLA Investment Management Ltd
1 Angel Lane
London
EC4R 3AB

Auditors:

Critchleys Audit LLP
Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Solicitors:

Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

Gisby Harrison Solicitors
Goffs Oak House
Goffs Oak Cheshunt
EN7 5HG



A word from our Chair

It has been another challenging, but rewarding, year for our charity. Our beneficiaries have experienced a steady enhancement of services across the entire clinical spectrum as we consolidate our relationship with Oxford University Hospitals NHS Foundation Trust (OUH) but continuing economic pressures have once again prevented us making as much progress as we had forecast in our fundraising activities.

With little indication of any improvement in the nation's finances, the way ahead remains opaque. But I am pleased to report that both the charity's staff and those of OUH continue to work exceptionally well together to ensure that the community we serve receive the same outstanding service.

The charity welcomed Emma Radley as our new CEO in May 2023 and she has quickly settled into the role, leading an unchanged Senior Leadership Team. It is a gratifying reflection on the coherence of purpose in our staff that within both the charity and the OUH clinical team there has been a remarkably low turnover of personnel.

This in turn has reinforced the cooperation and understanding between the two parts of our operation. We continue to build the strategic level relationship with OUH and are negotiating a further three-year agreement between us which recognises the pressures on our fundraising activities.

We try to ensure that trustees' terms of engagement adhere to our six-year policy and that, combined with changed personal circumstances, has seen a change to the board's composition. I have been pleased to welcome some highly qualified new members and very much look forward to their input.

The biggest gap in our fundraising has been a significant drop in legacy income. However, perhaps as an indication of the difficulty in forecasting this key element of our finances, the next 24 months look to be healthier than budgeted. With changed emphases within the entire fundraising effort and continuing solid returns from our retail operation, there is still a reasonable expectation of being able to eliminate our deficit.

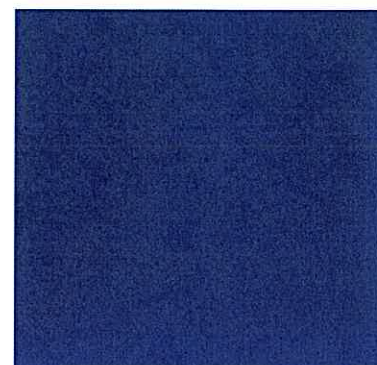
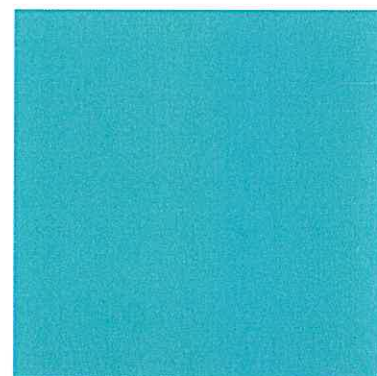
Perhaps the best indicator of our success in enhancing our beneficiaries' experience has been the refurbishment of the Inpatient Unit. Delivered on time and on budget, the improvement to an already restful and peaceful environment has been significant. Our thanks to the OUH staff in particular who managed the disruption magnificently without any reduction in service.

I look forward to the forthcoming year with confidence that we will continue to provide an outstanding service to our beneficiaries. Once again, I thank everyone who has worked so hard to contribute to our success.



Sir Tim Jenner

Chair of the Board of Trustees,
Katharine House Hospice Trust



Report of the Board of Trustees

(incorporating the Strategic Report)

The trustees present their annual report together with the audited financial statements for the year ending 31 March 2024. The format and content of the report and the financial statements comply with current statutory requirements, the charity's Memorandum and Articles of Association and the Charities Statement of Recommended Practice (FRS 102 second edition – October 2019) *Accounting and Reporting by Charities*.

1. Our partnership

Katharine House Hospice partners with Oxford University Hospitals NHS Foundation Trust (OUH) to provide specialist palliative care for adults with life-limiting conditions across north Oxfordshire, south Northamptonshire and south Warwickshire.

We fund care for people from diagnosis to end-of-life, including symptom management and pain relief throughout a person's illness. Care is not just about managing the physical symptoms of disease; our teams also provide emotional and spiritual support, helping our patients and their loved ones to access the practical help they need.

While many patients come into the hospice to receive their care, support is also provided for many more in their own homes, care homes or in hospital.

Thanks to our partnership with OUH, our hospice building was refurbished at the beginning of 2024 to improve facilities for patients, visitors and staff.

2. Our care and services

Katharine House Hospice provides a wide range of services to support adults with a life-limiting illness, as well as their family and friends, from the point of diagnosis onwards.

Our holistic care, which is free of charge, considers the physical, emotional, social and spiritual needs of patients, either at the hospice, in their home or in hospital.

In 2023-24 we supported 1,069 people with services that include: inpatient care, bereavement support, community care, Living Well, social support, physiotherapy, spiritual care, occupational therapy, chaplaincy and lymphoedema support.

Other highlights for the hospice included the successful onboarding of new recruits in the social work, bereavement, chaplaincy, therapy and Lymphoedema teams.



Inpatient unit (IPU)

During 2023-24, our team of specialist nurses and doctors cared for 245 patients in a calm, home-from-home environment. This personalised palliative care helped patients feel more like themselves again and enabled some patients to regain control of their symptoms and return home.

Despite the inevitable disruption caused by the refurbishment, the IPU staff ensured that patients and visitors could be cared for with the same exceptional standard that people have come to expect from Katharine House.

Our care team consider each of their patients individually, working hard to identify the specific actions that would help improve a person's physical health and wellbeing. In 2023-24, this included accommodating a Spitfire flyover, hosting two weddings, reinstating the popular drinks trolley and organising a cuddle bed to allow patients to be close to their loved ones.

Community Palliative Care Team

In 2023-24 the nurses made 1,661 visits to people in their own homes, supporting 421 patients throughout the year.

Many people prefer to stay at home or in their usual place of residence during their illness and in their last few weeks of life, finding they are happier, calmer and more able to manage their symptoms in familiar surroundings. Our Community Palliative Care Team (CPCT) make this possible by giving care and advice centred on symptom management and meeting the patient's emotional and practical needs, as well as offering support to the family and friends caring for them.

Therapy

For the past six months, Katharine House has been building a therapy dream team dedicated to improving the physical and mental wellbeing of its patients. The new team, consisting of an occupational therapist and two physiotherapists, has a host of different skills and experience which complement each other and enable them to provide a holistic approach for patients, both at the hospice and out in the community.

In 2023-24, the team supported 216 patients both on the ward and in their homes, helping them to achieve the goals important to them, such as providing a special wheelchair and hoist for a patient to enjoy a drink with his friends at his local pub; helping a woman dependent on an oxygen tank to retain her independence and go bra shopping when she lost weight because of her illness and even enabling another patient to have the luxury of a bath when it became impossible for her to do so alone.

“ You are like sunshine. Thank you for warming us in those awful days. ”



Living Well

Our Living Well service has taken giant steps over the past year, building up a steady flow of referrals from GP surgeries as well as self-referrals. The service is run by a specialist, multi-professional team that now includes a nurse, healthcare assistant, chaplain, two social workers and two lymphoedema specialist nurses.

Throughout the year, the team has provided holistic care to 100 patients, running wellbeing activities such as arts and crafts, tai chi, genealogy research, breathing workshops, a family and carer group and choir sessions, as well as facilitating events like Christmas bingo.

This year, the service welcomed two new social workers who offer a range of practical and financial advice and support, as well as a new chaplain who provides spiritual support to patients and families, as well as officiating at hospice weddings and celebrations.

During the refurbishment, the service operated offsite at two local care homes, ensuring patients were able to continue to benefit from the service, while their normal venue was unavailable.

Bereavement

Katharine House Hospice's Bereavement Services has seen significant growth at the hospice during 2023-24. The team grew to include a new administrator, officer and manager and held two counselling training sessions, recruiting a further two counsellors.

We currently have 18 volunteer counsellors supporting people in the Katharine House catchment area, carrying out hundreds of sessions during the financial year.

“ *Being able to have the visitors and a social life made such a difference to him in his final weeks and days.* ”



3. Our objectives, mission, vision and values

Our objectives

- Income generation
- Extend reach
- Lead and influence
- Inspire hope and joy
- Sustainability

Our mission

Our mission is to ensure that we maximise support for services that meet the complex medical and social needs of our community around the issues of death, dying and loss and play a leading role in developing them.

Our vision

Our vision is to ensure that every day is the best day possible for patients and families affected by life-limiting illnesses in our local community.

Our values

Trusted

To be trusted as a partner and as an advocate by those we work with, our community and supporters. Fundraising for the provision of advice and practical support on specialist palliative care across our catchment area.

Community

To be the key community representative in palliative care. To be the charity of choice for our community.

Dynamic

To utilise all resources, ensuring that we respond to fundraising opportunity and patient need.

Charity

To ensure that we communicate to our supporters the impact of their donations.

Making Every Moment Matter

To enable our patients and families to make the most of life, by funding services that support them. To communicate how to live with a palliative diagnosis and how we can support that.

4. Our impact

Although fundraising continues to be very challenging for so many charities, in 2023-24 Katharine House Hospice experienced year-on-year growth in nearly all fundraising lines, with two exceptions. Firstly, lottery income, which has been in slow decline for a few years but started responding to a new acquisition strategy during 2023-24, with significant further growth expected from 2024-25 onwards. The other exception was legacy giving which had a particularly poor year, reflecting the turbulent nature of gifts in wills and a national probate backlog. However, our legacy pipeline over the next two years looks more favourable, with notifications of some substantial gifts. Overall, Katharine House fell slightly short of its forecast income for 2023-24. Given the significant drop in legacy income against budget it is encouraging the shortfall wasn't greater. Unfortunately, it did mean that the year end result was a deficit.

The charity continued to offer a full fundraising portfolio to encourage support from a diverse donor pool. The charity attracted a healthy number of new donors, as well as receiving a retention rate higher than the national average, demonstrating the loyalty of support for the hospice from the local community.

Highlights from the charity this year included the unprecedented success of the Tractor Run which raised over £49,000 and achieved regional TV coverage; the opening of a new shop in Banbury; the recruitment of a new Volunteer Services Manager who is transforming the charity's recruitment and retention processes for volunteers; the investment into the charity's lottery scheme; a well-received major donor event and the launch of new fundraising products, including Rose to Remember and the relaunch of the Accumulator Challenge.

Patients

Katharine House saw 986 unique patients and supported 1,206 patients and family members in 2023-24, either at the hospice, in their homes or in the community. Many patients were supported across multiple care offerings.


Inpatient Unit
245


Community nurses
421


Therapy
216


Living Well
100


Bereavement
137

“Your visit lifted Mum’s spirits
and she had a sparkle in her
eyes when you left.”



Volunteers

Every year, our volunteers give up tens of thousands of hours to support the hospice in a range of clinical and charity roles.



5. Public benefit statement

The trustees have referred to the Charities Act 2011 for guidance on public benefit when reviewing the aims and objectives of Katharine House Hospice and in planning its future activities and the OUH partnership. Consequently, the trustees are able to confirm their belief that the hospice’s activities are of public benefit and will continue to be in the future. Our activities and achievements in furtherance of the public benefit are set out above.

6. Structure, governance and maintenance

Governing document and structure

The company was registered in May 1987 (No. 02133391) with the governing instrument being its Memorandum and Articles of Association. The Articles state that the Board of Trustees shall have full discretion as to the admission of any person to membership of the association.

Katharine House Hospice Trust is a company limited by guarantee, having no share capital, with all trustees being members of the company. The liability of the members is limited to £1 in the event of the winding up of the company.



The Board of Trustees

The Board of Trustees meets quarterly to ensure effective governance of the charity. The Chief Executive is appointed by the board and has delegated responsibility for the day-to-day management of the charity with the support of the Senior Leadership Team (SLT).

The Board of Trustees is fully committed to the financial stewardship, quality and safety of the charity.

The trustees are guided by an agreed scheme of corporate governance which sets out their responsibilities and those of the SLT. Potential conflicts of interest are addressed in a Conflict of Interests Policy and a Register of Trustees' Interests is maintained. Potential conflicts of interest are addressed at every meeting of the trustees.

A trustees' skills matrix is used to determine the skills requirements when vacancies occur. A search is then undertaken, applicants are interviewed and a vote of members is taken to decide upon appointment.

New trustees undertake an induction programme designed to ensure their understanding of the trustee role and their knowledge of the hospice and wider hospice sector. As well as a review of core documents, the induction provides opportunities to meet with staff and volunteers across the hospice and to observe or shadow parts of our service delivery.

No trustee received any remuneration during the year (see note 9 to the financial statements on page 32). One trustee was reimbursed £156 of expenses for a trustee event during the year (2023: £nil).

Sub-committees

The board is advised by a range of sub-committees:

- Finance, Audit and Risk
- Income Generation
- General Management

Organisation structure and key management personnel

Trustees are responsible for the strategic direction of the organisation. Day-to-day management is delegated to the Senior Leadership Team. The pay of the leadership team is set by trustees in line with the pay policy of the charity, which is in line with market rates for similar roles in the charity sector.



7. Strategic report

7.1 Fundraising activities, achievements and performance including fundraising disclosures under section 13 of the Charities Act 2016

Retail

Retail has performed strongly in line with the wider charity retail sector. We have also opened one small new shop in the year.

Fundraising

The charity's fundraising team is stable and utilising the full income stream portfolio, whilst monitoring the changing sector trends in order to adjust and respond. The team continued to feel the impact of the cost-of-living crisis, which directly affected individual gifts, community fundraising, and event income. The latter issue forced an audit of challenge event activities which led to the postponement of the 2024 Moonlight Walk where average sponsorship halved from the year before. However, we have not experienced a downturn in public engagement or willingness to take part in fundraising events, which has been heartening.

There has also been significantly greater competition for trusts and grants, with further challenges posed by our partnership with the NHS resulting in ineligibility for funds received in the past.

To counteract a recognised drop in legacy income nationally, we have developed a long-term legacy strategy including collaborating with Hospice UK on a national legacy campaign.

Under the provisions of Section 13 of the Charities (Protection and Social Investment) Act 2016, Katharine House Hospice works with one external fundraising agency, The Fundraising Partnership (TFP), who are registered with the Fundraising Regulator and the Gambling Commission. TFP has an extensive Code of Professional Conduct and a Sensitivity and Vulnerability Policy. Together these meet and exceed all compliance requirements for the Chartered Institute of Fundraising and the Fundraising Regulator. All TFP fundraisers are trained to exceed this level and have been issued with a copy of the code and are inspected against it regularly.

TFP recruit passionate fundraisers who raise awareness of the hospice's services as well as generating lottery income. The charity invested £41,165 in door-door canvassing to counteract our declining lottery income. The payback period on this investment is expected to be just over one year. The investment is expected to generate repeat lottery income for years to come, as well as result in longer term supporter journeys and associated income. The Katharine House Hospice Lottery Steering Committee monitors the performance of TFP along with all other aspects of the lottery, including compliance checks. The lottery is licenced by the Gambling Commission.

The charity is a member of the Fundraising Regulator, The Charity Retail Association and The Chartered Institute of Fundraising. During the year the charity upheld one complaint related to fundraising and one related to the lottery. Our complaints policy and procedures are robust and we take all supporter feedback seriously. We recognise the value of listening to all feedback and where a complaint indicates

a shortcoming, we take the appropriate measures, whether in changing our procedures or providing training for staff to prevent recurrence of issues and improve supporter care.

Katharine House Hospice works within the Fundraising Code to ensure that vulnerable people are protected within all fundraising activities.

7.2 Financial review and significant events

Before revaluation of investments, for the financial year ending 31 March 2024, the hospice recorded a deficit of £684k in unrestricted funds (2023, deficit £460k) and a deficit of £25k in restricted funds (2023, surplus £2k).

After revaluation of investments, the net deficit for the year is £443k (2023, deficit £651k).

Income

Total income received in the year decreased by 2.8% to £2,688k (2023: £2,765k) as shown below.

	Note	2024 £	2023 £	+/-%
Donations	2	821,937	692,416	+18.7%
Legacies	2	174,362	453,677	-61.6%
Charitable activities (including statutory funding)	3	135,449	222,542	-39.1%
Retail income	4a	1,024,975	894,736	14.6%
Other trading	4a	400,339	366,875	9.1%
Investments	5	121,096	109,721	10.4%
Other income	4b	9,867	24,564	n/a
		<u>2,688,025</u>	<u>2,764,531</u>	-2.8%

Donations

Income from donations for the year was £822k (2023: £692k) which was much improved on the previous year due to fruition of longer-term plans and ongoing refinements of processes and innovations.

Legacies

Income from legacies for the year was £174k (2023: £454k). Legacy income is unpredictable and was very disappointing in the year. The legacy pipeline for the next two years is very strong.

Charitable activities (fees & grants)

Income from fees and grants for the year was £135k (2023: £223k). During the prior year Katharine House Hospice received £96k from Hospice UK, funded by NHS England, for our support to help manage the impact of the Omicron wave of Covid on NHS services.

Retail income (charity shops)

The hospice runs 7 shops and one online shop. Income from shops was £1,025k (2023: £895k) a significant increase on the prior year. Sales in the charity retail sector performed well in the challenging economic conditions, but our shops performed particularly strongly. In addition, we opened a second satellite shop in Banbury half-way through the year.

Investment income

Investment income was £121k (2023: £110k). The charity has continued to benefit from higher yields on money on deposit, whilst dividend income has performed solidly.

Expenditure and staff costs

The cost of retail operations has risen to £840k (2023: £772k), due to the increases in minimum wage and the knock-on impacts, high energy costs and the additional Banbury unit.

The cost of fundraising has risen to £1,013k (2023: £947k), caused by wage inflation to meet the cost-of-living crisis and completion of the development of our fundraising team which began in 2022.

During the year, the total average full time equivalent (FTE) headcount increased to 34 (2023: 31). Staff costs remain our key expenditure and now represent 34.6% of our annual expenditure (2023: 32.7%).

Expenditure on charitable activities was £1,544k (2023: £1,504k), including grants to Oxford University Hospitals NHS Foundation Trust (OUH).

Grant making

Katharine House Hospice Trust (KHH) provides a £1.4m grant to OUH to provide palliative and end of life care services as defined in the Integrated Service Model for Palliative Care. The vision is to provide equitable high quality holistic palliative and end of life care for the people of north Oxfordshire, south Northamptonshire and south Warwickshire, and those close to them, with advice and support being available 24/7. The partnership is structured to enable the hospice to become more resilient and able to influence changes to improve palliative and end of life care provision, to respond to unmet need and to reach under-served communities.

In addition to the grant from KHH, the OUH receives commissioning grants from the Buckinghamshire, Oxfordshire and Berkshire West (BOB) Integrated Care Board (ICB); the Northamptonshire ICB and the Coventry and South Warwickshire ICB amounting to approximately £1.6m for the provision of services at the hospice.

Volunteers and social investments

Our staff and volunteers are our most important asset. Without their skills, expertise and dedication we would not be able to provide the care we do to patients and families throughout the year.

Our 276 regular volunteers make a huge contribution to our work. Working 25,316 hours in total, the work of our volunteers equates to approximately 13 full time staff. Were we to have to pay for the amazing work that they undertake then this would cost the charity approximately £474,508.

During the year we have continued to invest in skills training - for example supporting key staff members via the apprenticeship scheme.

7.3 Investment policy and performance

In accordance with the Memorandum and Articles of Association, the trustees have the authority to invest in such stocks, shares, investments and property as they see fit. An agreed Investment Policy describes the trustees' investment aspirations which include:

- Providing income
- Providing enhanced value where possible
- Avoiding undue risk by investing diversely and monitoring investments carefully
- Avoiding investment in tobacco related industries

The combined performance of our investment fund managers showed a net capital gain (realised and unrealised) of £267k for the year (2023: loss £192k).

Our investment portfolio increased in value to £3,536k (2023: £3,250k.) We have not drawn down on our investment portfolio in 2023-24. Cash held in investments has increased to £42k (2023: £27k).

Our bank deposits have decreased in value to £353k (2023: £918k). This is mainly due to drawing down cash to cover the shortfall in the contribution from the charity towards the cost of the OUH grant.

7.4 Key risks

The charity has a risk management system to identify key risks that could affect the achievement of our objectives. The process focuses on four potential areas of risks each falling under the auspices of one of the trustee committees and one of the members of the senior leadership team (SLT). They are retail, fundraising, finance and general management (including the hospice premises).

The full risk management process is conducted quarterly and comprises the following steps:

1. Risks are identified and reviewed together with any mitigation measures by the SLT
2. Risks are scored for impact and likelihood to give a risk score (before and after mitigation) by the SLT
3. Scored risks with mitigations are reviewed by the appropriate sub-committee and the risk register updated as appropriate
4. Scored risks with mitigations are reviewed by the finance, audit and risk committee, which has delegated responsibility for managing risk
5. The final risk register is reviewed and approved by the Board of Trustees

2023-2024 was the second year of the charity's investment into the fundraising team, in a bid to regularly reach a break-even position after several years of deficits which have eroded our reserves. Unfortunately, these actions have coincided with the cost-of-living crisis which has hit the UK, meaning that the fundraising landscape is ever changing. The team have adapted in response to this, but it is fair to say that the uplift in income has been less significant than planned for. This has been compounded in 2023-2024 by a significant drop in legacy income.

Given this scenario, the highest scoring and most strategic risk is that the fundraising environment will remain challenging or further deteriorate, and income will continue to lag behind expenditure. Work remains ongoing to improve this picture.

7.5 Future plans

The charity is an organisation that exists to fund and direct the provision of palliative care to the community within our region. Our future plans include to:

- Improve the existing retail estate and look to improve return on investment in lower performing outlets
- Continue to increase the number of players in our lottery and ensure they are well supported
- Expand our fundraising reach to improve our presence within our whole clinical catchment area
- Expand the range of volunteering opportunities in order to meet more of the needs of our patients and service users

7.6 Reserves policy

A traditional reserves policy uses time as a proxy for risk however, there may be little or no understanding of the actual financial impact of the risks involved. Therefore, Katharine House Hospice has adopted a risk-based policy which allows us to be more precise about the reasons for needing reserves. Risks can also be managed in a dynamic way. In times of improved economic outlook, strong charity performance and low risk to income streams, much lower levels of reserves will be required. Conversely, in the current geopolitical environment with losses forecast and high uncertainty over some of our revenue projections, much higher reserves are required.

Free reserves policy

The charity defines free reserves as unrestricted reserves that are freely available to spend on any of the charity's purposes. Free reserves therefore exclude tangible fixed assets used to carry out the charity's activities, such as land and buildings.

Within unrestricted reserves, the charity's policy is to maintain free reserves sufficient to cover:

- Liquidity
- Projects (and project risks)
- Structural work including repairs, refurbishments and dilapidations
- Projected losses based on the current 3-year plan
- Risks of further losses based on the current 3-year plan

The risk of further losses is the risk of a shortfall in income (assessed by scoring each category of income using a risk matrix) less the potential for cost savings if income falls (assessed by scoring each category of cost using a commitment matrix).

As at 31 March 2024 the level of free reserves held was £3.908m (2023: 3.453m), compared to a risk-based reserves requirement of £3.006m. The gap between free reserves and the risk-based reserves requirement is expected to narrow in the medium term.

Restricted reserves policy

The charity holds restricted income in a restricted reserve until fully spent on the restricted purpose. If it is not possible to spend the funds as the donor intended, the donor will be approached and agreement reached on either reallocation or return of the funds.

During the year the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB), as the organisation which evolved from the Oxfordshire Clinical Commissioning Group (CCG), released any restriction on grants awarded to Katharine House Hospice Trust by the Oxfordshire CCG in March 2021 and March 2022.

This included a £535k grant made on 31st March 2021 for capital work and transitional costs and a £250k grant made on 31st March 2022 specified for additional capital work.

A detailed breakdown of reserves by category is shown in notes 18 and 19.

8. Statement of accounting and reporting responsibilities

The trustees are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

Company and charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the charity's incoming resources and application of resources, including the charity's income and expenditure for that year. In preparing those financial statements, the trustees are required to:

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

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

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

9. Statement of disclosure of information to auditors

We confirm that, in so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors & Trustees report (including Strategic Report) is approved on behalf of the trustees by:



Sir Tim Jenner
Chair of Trustees

5 September 2024

Independent Auditor's report to the members of Katharine House Hospice Trust for the year ended 31 March 2024

Opinion

We have audited the financial statements of Katharine House Hospice Trust for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Charity Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Director's 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 Katharine House Hospice Trust's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the Directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and the strategic report included within the Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate and proper 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 the Trustees

As explained more fully in the Trustees' responsibilities statement [set out on page 16], 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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 Directors/Trustees, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company,
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- 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 assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and

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 meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with 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.



Robert Kirtland, Senior Statutory Auditor
for and on behalf of Critchleys Audit LLP
Statutory Auditors
Beaver House
23 – 38 Hythe Bridge Street
Oxford
OX1 2EP.
1/10/2024

Katharine House Hospice Trust
Annual Report and Financial Statements for the year ending 31 March 2024
Statement of Financial Activities (Including Income and Expenditure account)

		Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	2	964,560	31,739	996,299	1,133,093	13,000	1,146,093
Charitable activities	3	84,276	51,173	135,449	169,267	53,275	222,542
Retail activities	4a	1,024,975	-	1,024,975	894,736	-	894,736
Other trading activities	4a	400,339	-	400,339	366,875	-	366,875
Investments	5	121,096	-	121,096	109,721	-	109,721
Other Income	4b	9,867	-	9,867	24,564	-	24,564
Total income		2,605,113	82,912	2,688,025	2,698,256	66,275	2,764,531
Expenditure on:							
Raising funds	6	(966,730)	(46,766)	(1,013,496)	(921,946)	(24,629)	(946,575)
Retail activities	6	(840,219)	-	(840,219)	(772,497)	-	(772,497)
Charitable activities	6&7	(1,482,532)	(61,331)	(1,543,863)	(1,463,779)	(40,090)	(1,503,869)
Total expenditure	6	(3,289,481)	(108,097)	(3,397,578)	(3,158,222)	(64,719)	(3,222,941)
Net (expenditure)/ income before revaluation		(684,368)	(25,185)	(709,553)	(459,966)	1,556	(458,410)
Net gain/(loss) on investments		266,590	-	266,590	(192,447)	-	(192,447)
Net (expenditure)/ income for the year		(417,778)	(25,185)	(442,963)	(652,413)	1,556	(650,857)
Transfers between funds		814,221	(814,221)	-	-	-	-
Net movement of funds for the year		396,443	(839,406)	(442,963)	(652,413)	1,556	(650,857)
Reconciliation of funds:							
Balances brought forward 31 March	18	5,102,011	854,624	5,956,635	5,754,424	853,068	6,607,492
Balances carried forward 31 March	18	5,498,454	15,218	5,513,672	5,102,011	854,624	5,956,635

The notes on pages 25 to 39 form part of these financial statements.

Katharine House Hospice Trust
Annual Report and Financial Statements for the year ending 31 March 2024
Charity Balance Sheet

		2024		2023	
	Note	£	£	£	£
Fixed assets:					
Intangible assets	11	-	-	-	-
Tangible assets	12	1,590,870		1,648,538	
Investments	13	<u>3,577,212</u>		<u>3,276,659</u>	
			5,168,082		4,925,197
Current assets:					
Stock – goods for resale		-		-	
Debtors	15	282,085		297,773	
Cash at bank and in hand		621,263		1,316,383	
		<u>903,348</u>		<u>1,614,156</u>	
Liabilities:					
Creditors: amounts falling due within one year	16	<u>(557,758)</u>		<u>(582,718)</u>	
Net current assets			345,590		1,031,438
Total net assets	18		<u>5,513,672</u>		<u>5,956,635</u>
Funds:					
Restricted income funds	19		15,218		854,624
Unrestricted & designated funds	19		5,498,454		5,102,011
Total funds	18		<u>5,513,672</u>		<u>5,956,635</u>

The notes on pages 25 to 39 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Trustees on 5 September 2024 and were signed on its behalf by:



Sir Tim Jenner

Chair of Trustees

Company Registration Number: 02133391

Katharine House Hospice Trust
Annual Report and Financial Statements for the year ending 31 March 2024
Statement of Cash Flows

	Note	2024	2023
		£	£
Cash flows from operating activities			
Net (expenditure) for the reporting period (as per the Statement of Financial Activities)		(709,553)	(458,410)
Amortisation of intangible assets	8	-	13
Depreciation of fixed assets	8	76,337	75,670
Dividends, interest, and rent from investments	5	(121,096)	(109,721)
(Profit) on the disposal of fixed assets	8	-	(14,123)
Decrease in stock		-	1,704
Decrease in debtors		15,688	610,401
(Decrease)/increase in creditors		(24,960)	331,198
Net cash from operating activities		(763,584)	436,732
Cash flows from investing activities:			
Interest received	5	29,297	21,197
Dividends received	5	91,799	88,524
Proceeds from sale of tangible fixed assets		-	14,123
Purchase of tangible fixed assets		(18,669)	(49,095)
Proceeds from sale of investments		373,815	831,843
Purchase of investments		(393,177)	(924,010)
Net cash (used in) investing activities		83,065	(17,418)
Change in cash and cash equivalents in the year		(680,519)	419,314
Cash and cash equivalents at the beginning of the year		1,343,431	924,117
Cash and cash equivalents at the end of the year		662,912	1,343,431
Cash and cash equivalents are held as follows:			
Cash held in operations		267,792	398,335
Cash held on deposit		353,471	918,048
Total cash at bank and in hand		621,263	1,316,383
Cash held in investments	13	41,649	27,048
Cash and cash equivalents at the end of the year		662,912	1,343,431

Notes to the financial statements for the year ending 31 March 2024

Statutory information

Katharine House Hospice Trust Ltd is a private company limited by guarantee, registered in England and Wales, registration no 2133391. The registered office is Aynho Road, Adderbury, Banbury OX17 3NL.

Compliance with accounting standards

The format and content of the financial statements have been prepared in accordance with the Charities SORP (FRS 102), the Charities Act 2011, the Companies Act 2006 and FRS 102.

Public Benefit Entity

The charity is a public benefit entity.

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below and have remained unchanged from the previous period.

(a) Going concern and presentation currency

The financial statements have been prepared on a going concern basis under the historical cost convention, modified by the inclusion of fixed asset investments at their market value.

At the time of approving the accounts, the trustees have a reasonable expectation that Katharine House Hospice has adequate resources to continue in operational existence for the foreseeable future. The trustees consider there are no material uncertainties about the charity's ability to continue and adopt the going concern basis of accounting in preparing the accounts.

The financial statements are prepared in £ sterling, rounded to the nearest £, which is the functional currency of the company.

(b) Basis of preparation of charity financial statements

The charity had one dormant subsidiary undertaking, Katharine's Cupboard Limited, which was dissolved in the previous year and was clearly immaterial in considering the financial position of the charity (see Note 14). Therefore, the charity has decided not to prepare consolidated accounts.

The charity has adapted the Companies Act format of the financial statements to reflect the special nature of the charity's activities.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income, the amount can be quantified with reasonable accuracy, and it is probable that the income will be received. The following specific policies are applied to categories of income:

Donations are accounted for as received by the charity.

Gifts in kind: Estimating the fair value of donated goods for resale is impractical because of the volume of low-value items received. Therefore, donated goods for resale are not recognised on receipt. Instead, the value to the charity of the donated goods sold is recognised as income when sold. Other gifts in kind, including donated facilities and services, are recognised in income at their fair value.

Legacy income is recognised at the earlier of receipt or when all the following conditions have been met:

- Probate has been granted.

- The charity is able to measure the value of its entitlement accurately and confirm that there are sufficient funds to pay the legacy.
- Any conditions attached to the legacy are either within the control of the charity or have been met.

Shop income is recognised on a cash receipt basis.

Lottery income is recognised when allocated to the current week's draw. Lottery funds received and not drawn before the balance sheet date are recorded as deferred income and included within creditors in the balance sheet. Raffle income is also recognised when the raffle is drawn.

Income from fund raising ventures is shown gross, with the associated costs included within fund raising costs.

Investment income is included when receivable. Realised and unrealised gains and losses are dealt with in the Statement of Financial Activities.

Grant income, including government grants, is recognised when receivable and conditions for receipt have been complied with. The charity considers that where a term or condition simply restricts the use of a grant, this does not affect a charity's entitlement to the gift and recognition of income.

No amount is included in the financial statements for volunteer time in line with the SoRP(FRS 102).

(d) **Expenditure recognition**

All expenditure is accounted for on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as irrecoverable VAT in the appropriate expense category. Expenditure is categorised under the following headings:

Raising Funds: Costs of raising funds comprise costs incurred in encouraging people and organisations to contribute financially to the charity's work. This includes the cost of advertising for donations, the running of the lottery including prize money, costs associated with the staging of special fundraising events, and investment managers' costs.

Retail Activities: Costs of retail activities comprise costs associated with the running of the shops.

Charitable Activities: Costs of charitable activities comprise those costs incurred by the charity in grant funding and supporting the delivery of specialist palliative care and associated services for patients with a terminal illness.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly to that activity, with remaining support costs (which include office costs, governance costs and administrative payroll costs) being allocated to a particular activity on an appropriate basis as set out in notes 6 and 7.

(e) **Fixed asset investments**

Fixed interest investments are held to maturity for the purposes of income generation and capital appreciation; the trustees consider it appropriate to show these at cost less amortisation of premium paid.

Listed Equities are stated at market value as at the balance sheet date. Realised and unrealised gains and losses on investments during the year are dealt with in the Statement of Financial Activities. Cash held in investments is included in investments rather than cash at bank and in hand.

Net gain/ loss on investments includes both realised and unrealised gains/ losses on the revaluation/ sale of investments.

(f) Current asset investments

Investments held for resale are included in current assets.

(g) Intangible assets

Intangible assets are amortised on a straight-line basis over their useful lives as follows:

Computer software	20%
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In the Statement of Financial Activities the amortisation charge is allocated between expenditure on raising funds and charitable activities.

(h) Tangible fixed assets

Tangible fixed assets are included in the financial statements at historical cost, less accumulated depreciation. Depreciation of tangible fixed assets is provided on a straight-line basis, calculated at annual rates estimated to write off each asset over the term of its useful life. The depreciation rates applicable are:

Freehold land	nil
Freehold buildings	2%
Leasehold property	period of the lease
Motor vehicles, office & computer equipment	10%, 20% and 33 1/3%
Assets under construction	nil

(i) Stock

Any stocks of goods for resale are felt by the trustees to be insignificant and are only carried at cost if purchased at the year end.

(j) Taxation

The company is registered as a charity and is not liable to corporation tax on its charitable activities.

(k) Value Added Tax

The company is partially exempt for the purposes of VAT.

(l) Pension costs

Retirement benefits are provided to employees by way of various pension schemes as set out in note 10 to the financial statements. Contributions payable to these pension schemes are charged in the Statement of Financial Activities in the period to which they relate. Any differences between the contributions payable in the year and those actually paid are included within creditors in the balance sheet. FRS 102 requires fixed payments amounts to be included on the balance sheet.

(m) Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the term of the lease.

(n) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, funding providers or which have been raised by the company for a particular purpose. The costs of raising and administering such funds are charged against the specific fund.

(o) Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered.

Prepayments are valued at the amount prepaid net of any discounts due.

(p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term, highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(q) Creditors and provisions

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(r) Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Income from donations & legacies

	2024			2023		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Donations	790,198	31,739	821,937	679,416	13,000	692,416
Legacies	174,362	-	174,362	453,677	-	453,677
	<u>964,560</u>	<u>31,739</u>	<u>996,299</u>	<u>1,133,093</u>	<u>13,000</u>	<u>1,146,093</u>

3. Income from charitable activities

	2024			2023		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Fees & Grants	84,276	51,173	135,449	169,267	53,275	222,542
	<u>84,276</u>	<u>51,173</u>	<u>135,449</u>	<u>169,267</u>	<u>53,275</u>	<u>222,542</u>

During the prior year Katharine House Hospice received £96,443 from Hospice UK, funded by NHS England, for our support to help manage the impact of the Omicron wave of Covid on NHS services.

4a. Income from retail and other trading activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Charity shop income	1,024,975	-	1,024,975	894,736	-	894,736
Total Retail	<u>1,024,975</u>	<u>-</u>	<u>1,024,975</u>	<u>894,736</u>	<u>-</u>	<u>894,736</u>
Lottery	162,080	-	162,080	165,038	-	165,038
Other fundraising income	238,259	-	238,259	201,837	-	201,837
Total other trading activities	<u>400,339</u>	<u>-</u>	<u>400,339</u>	<u>366,875</u>	<u>-</u>	<u>366,875</u>

4b. Other income

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Insurance Claims	700	-	700	10,441	-	10,441
Finance services	9,167	-	9,167	-	-	-
Profit on disposal of fixed assets	-	-	-	14,123	-	14,123
	<u>9,867</u>	<u>-</u>	<u>9,867</u>	<u>24,564</u>	<u>-</u>	<u>24,564</u>

5. Income from investments

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Dividends – Equities	91,799	-	91,799	88,524	-	88,524
Interest - Fixed Interest Securities	-	-	-	759	-	759
Interest – Deposits	29,297	-	29,297	20,438	-	20,438
	<u>121,096</u>	<u>-</u>	<u>121,096</u>	<u>109,721</u>	<u>-</u>	<u>109,721</u>

6. Total expenditure

	Basis of Allocation	Retail		-----Raising Funds-----			Charitable		2024 Total	2023
		Charity shops	Charity lottery	Fund Raising	Investment income	Charitable activities				
		£	£	£	£	£	£	£	£	
Costs directly allocated to Charitable activities										
OUH Grant payments*	Direct	-	-	-	-	1,400,000	1,400,000	1,400,000		
OUH EDI officer*	Direct	-	-	-	-	28,016	28,016	17,661		
Hospice support costs	Direct	-	-	-	-	22,172	22,172	-		
Staff costs	Direct	357,905	-	464,042	-	-	821,947	714,523		
Rent & other shop costs	Direct	239,382	-	-	-	-	239,382	220,341		
Merchandise costs	Direct	33,752	-	-	-	-	33,752	33,341		
Staff training, recruitment & welfare	Direct	1,079	-	3,251	-	-	4,330	31,079		
Staff and patient travel	Direct	4,897	-	132	-	-	5,029	3,154		
Waste removal	Direct	21,658	-	-	-	-	21,658	17,366		
Lottery prizes & costs	Direct	-	102,321	-	-	-	102,321	89,179		
Other fundraising costs	Direct	-	-	119,620	-	-	119,620	135,503		
Irrecoverable VAT	Direct	-	-	13,395	-	-	13,395	20,845		
Investment manager costs	Direct	-	-	-	15,511	-	15,511	14,002		
Depreciation	Direct	8,958	-	4,451	-	23,879	37,288	35,696		
		667,631	102,321	604,891	15,511	1,474,067	2,864,421	2,732,690		
Support costs allocated to other activities										
Hospice communications	Hours	3,898	3,898	70,166	-	38,981	116,943	94,545		
Administration staff costs	Income	125,238	19,804	129,637	-	-	274,679	264,703		
Admin & office expenses	Income	20,138	3,184	20,846	-	-	44,168	49,536		
Utilities, services & insurance	Income	9,572	1,514	9,908	-	-	20,994	14,202		
Repairs and maintenance	Income	5,383	851	5,572	-	-	11,806	1,894		
Governance	Income	7,402	1,171	7,662	-	-	16,235	14,458		
Irrecoverable VAT	Income	-	-	9,283	-	-	9,283	10,926		
Depreciation	Floor	957	721	6,556	-	30,815	39,049	39,987		
		172,588	31,143	259,630	-	69,796	533,157	490,251		
Total expenditure 2024		840,219	133,464	864,521	15,511	1,543,863	3,397,578	3,222,941		
Total expenditure 2023		772,497	122,358	810,215	14,002	1,503,869	3,222,941	3,222,941		

Represented by:

	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	£	£	£	£	£	£
Raising funds	966,730	46,766	1,013,496	921,946	24,629	946,575
Retail activities	840,219	-	840,219	772,497	-	772,497
Charitable activities	1,482,532	61,331	1,543,863	1,463,779	40,090	1,503,869
	3,289,481	108,097	3,397,578	3,158,222	64,719	3,222,941

*Oxford University Hospitals NHS Foundation Trust

7. Expenditure on Charitable activities

	Basis of Allocation	2024 £	2023 (restated) £
Costs directly allocated to Charitable activities:			
OUH Grant payments	Direct	1,400,000	1,400,000
OUH EDI officer	Direct	28,016	17,661
Hospice support costs	Direct	22,172	-
Depreciation	Direct	23,879	23,878
		1,474,067	1,441,539
Support costs allocated:			
Hospice communications	Hours	38,981	31,515
Depreciation	Floor	30,815	30,815
Total expenditure		1,543,863	1,503,869
Charitable expenditure by service			
		2024 £	2023 £
OUH Grant payments (all services)		1,400,000	1,400,000
OUH EDI officer (all services)		28,016	17,661
Hospice support costs (all services)		22,172	-
Hospice communications (all services)		38,981	31,515
In Patient Unit		27,607	27,606
Living Well		19,383	19,383
Community Nurses (CPCT)		3,082	3,082
Lymphoedema		616	616
Bereavement service		616	616
Welfare & education		3,390	3,390
Total expenditure (all Services)		1,543,863	1,503,869

With effect from 1 April 2021, all the clinical services previously provided by Katharine House have been carried out by Oxford University Hospitals NHS Foundation Trust to the same high standards of care that were previously provided by Katharine House. Grants have been made to OUH totalling £1,400,000 (2023: £1,400,000) for the purpose of providing funding to facilitate the Trust in carrying out the services.

8. Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2024 £	2023 £
Depreciation of fixed assets	76,337	75,670
Amortisation of intangible assets	-	13
(Profit) / loss on disposal of fixed assets	-	(14,123)
Operating lease rentals:		
Property	136,729	130,740
Other	8,312	1,972
Auditor's remuneration (excluding VAT):		
Audit	10,650	9,600
Other	-	-
	231,628	203,862

9. Staff costs and numbers

Staff costs were as follows:

	2024	2023
	£	£
Salaries and wages	1,034,693	919,410
Redundancy and termination costs	-	8,000
Social security costs	83,136	75,623
Pension costs	57,776	50,704
	<u>1,175,605</u>	<u>1,053,737</u>

Redundancy and termination payments are accounted for in the period in which the payments were made. During the current financial year such payments amounted to £zero (2023: £8,000 including a £6,834 ex gratia payment which was charged to unrestricted funds).

Staff numbers

The average number of employees, and full time equivalent (FTE) employees, employed by the charity during the year was:

	2024	2023	2024	2023
	FTE	FTE	No.	No.
Charitable activities	-	-	-	-
Support activities	6	6	9	8
Raising funds	<u>28</u>	<u>25</u>	<u>35</u>	<u>32</u>
	<u>34</u>	<u>31</u>	<u>44</u>	<u>40</u>

The number of employees whose total employee benefits (excluding employer pension costs) exceeded £60,000, for the reporting period fell within each band of £10,000 as follows:

	2024	2023
	No.	No.
£70,000 - £79,999	<u>1</u>	<u>1</u>

The key management personnel of the Trust comprise the trustees, the chief executive officer, and the senior leadership team. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £302,219 (2023: £292,144).

The charity trustees were neither paid or received any other benefits from employment with the Trust or its subsidiary in the year (2023: £nil). One trustee was reimbursed £156 of expenses for a trustee event during the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

The role played by volunteers is disclosed in the trustees' report (pages 9 & 13)

10. Pension costs

Aviva pension scheme – defined contribution scheme

The current scheme operated by the company is administered by Aviva and is a group personal pension scheme with defined contribution rules. The assets of the pension scheme are held separately from those of the charity in independently administered funds.

The scheme was set up in 2008 with both a flexible contribution rate from the employer and an opportunity for employees to contribute via a salary sacrifice arrangement which the trustees felt fairly reflected a modern pension scheme for its employees. Since May 2014, this scheme has been used as the company's auto enrolment scheme.

The company's contributions to the scheme in the current year are based on a contribution rate of up to 13% of pensionable pay (2023: up to 13% of pensionable pay). There is also an option to make contributions to the scheme through a salary sacrifice – the company contribution rate with salary sacrifice is up to 21%, based on a 7% salary sacrifice (2023: up to 21%, based on a 7% salary sacrifice).

The pension costs for the year ending 31 March 2024, as included in the Statement of Financial Activities, amounted to £57,776 (2023: £50,704). The balance owing to the scheme as at 31 March 2024 is £7,989 (2023: £13,961).

Pension costs are allocated to activities based on the job description of each employee. Where an employee is part funded from a restricted fund for a specific project, a proportion of their pension is allocated to that fund. All other pension costs are allocated to unrestricted funds.

11. Fixed assets – Intangible

	Computer software	Total
	£	£
Cost		
At 1 April 2023	271	271
Additions in year	-	-
Disposals in year	-	-
At 31 March 2024	<u>271</u>	<u>271</u>
Amortisation		
At 1 April 2023	271	271
Charge for the year	-	-
At 31 March 2024	<u>271</u>	<u>271</u>
Net book value		
At 31 March 2024	<u>-</u>	<u>-</u>
At 1 April 2023	<u>-</u>	<u>-</u>

All the above assets are used for charitable purposes.

12. Fixed assets – Tangible

	Freehold land and buildings £	Leasehold improvement £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2023	2,831,171	60,803	144,209	18,420	3,054,603
Additions in year	-	8,606	10,063	-	18,669
Disposals in year	-	-	(20,159)	-	(20,159)
At 31 March 2024	<u><u>2,831,171</u></u>	<u><u>69,409</u></u>	<u><u>134,113</u></u>	<u><u>18,420</u></u>	<u><u>3,053,113</u></u>
Depreciation					
At 1 April 2023	1,282,644	36,216	71,371	15,834	1,406,065
Charge for the year	56,223	4,384	14,580	1,150	76,337
Eliminated on disposal	-	-	(20,159)	-	(20,159)
At 31 March 2024	<u><u>1,338,867</u></u>	<u><u>40,600</u></u>	<u><u>65,792</u></u>	<u><u>16,984</u></u>	<u><u>1,462,243</u></u>
Net book value:					
At 31 March 2024	<u><u>1,492,304</u></u>	<u><u>28,809</u></u>	<u><u>68,321</u></u>	<u><u>1,436</u></u>	<u><u>1,590,870</u></u>
At 1 April 2023	<u><u>1,548,527</u></u>	<u><u>24,587</u></u>	<u><u>72,838</u></u>	<u><u>2,586</u></u>	<u><u>1,648,538</u></u>

Land with a value of £20,000 (2023: £20,000) is included in Freehold land and buildings and is not depreciated. All the above assets are used for charitable purposes.

13. Investments

	Fixed Interest £	Listed equities at market value £	Charity total £
Fair value at 1 April 2023	15,000	3,234,611	3,249,611
Additions	-	393,177	393,177
Disposals	(6,000)	(344,827)	(350,827)
Revaluation during the year	-	243,602	243,602
Fair value at 31 March 2024	<u>9,000</u>	<u>3,526,563</u>	<u>3,535,563</u>
Cash held in investments			<u>41,649</u>
Net book value at 31 March 2024			<u><u>3,577,212</u></u>
Fair value at 31 March 2023	<u>15,000</u>	<u>3,234,611</u>	<u>3,249,611</u>
Cash held in investments			<u>27,048</u>
Net book value at 31 March 2023			<u><u>3,276,659</u></u>

The historical cost of listed equity investments included above at market value is £3,154,120 (2023: £3,111,770).

14. Subsidiary undertaking

The company owned the whole of the issued ordinary share capital of Katharine's Cupboard Limited. The company was non trading and was struck off the register of companies on 28 March 2023 and dissolved on 4 April 2023.

Katharine's Cupboard Limited was registered in England with company number 06297831. The registered office address was East End, Adderbury, Banbury, Oxford, OX17 3NL.

15. Debtors

	2024	2023
	£	£
Trade debtors	42,161	91,144
Other debtors	2,861	2,840
Prepayments & accrued income	208,247	176,604
Legacies receivable	25,000	20,000
VAT recoverable	3,816	7,185
Amount owed by group undertaking	-	-
	<u>282,085</u>	<u>297,773</u>

16. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	427,983	399,735
Taxation and social security	20,495	16,415
Other creditors	7,989	13,961
Accruals	45,425	44,772
Deferred income (note 17)	55,866	107,835
	<u>557,758</u>	<u>582,718</u>

17. Deferred Income

	2024	2023
	£	£
Balance at the beginning of the year	107,835	101,950
Amount released to income in the year	(69,676)	(29,993)
Amount deferred in the year	17,707	35,878
Balance at the end of the year	<u>55,866</u>	<u>107,835</u>

Lottery and raffle income received in advance is deferred to the date of the prize draw.

18 (a) Analysis of net assets between funds – current year

	General unrestricted £	Designated lottery fund	Restricted funds £	Total funds £
Intangible assets	-	-	-	-
Tangible assets	1,590,870	-	-	1,590,870
Investments	3,577,212 *	-	-	3,577,212
Net current assets	321,537 *	8,835 *	15,218	345,590
Net assets at 31 March 2024	<u>5,489,619</u>	<u>8,835</u>	<u>15,218</u>	<u>5,513,672</u>
*Free reserves	<u>3,898,749</u>	<u>8,835</u>	<u>-</u>	<u>3,907,584</u>

18 (b) Analysis of net assets between funds - prior year

	General unrestricted £	Restricted funds £	Total funds £
Intangible assets	-	-	-
Tangible assets	1,648,538	-	1,648,538
Investments	3,276,659 *	-	3,276,659
Net current assets	176,814 *	854,624	1,031,438
Net assets at 31 March 2023	<u>5,102,011</u>	<u>854,624</u>	<u>5,956,635</u>
*Free reserves	<u>3,453,473</u>	-	<u>3,453,473</u>

19 (a) Movement on funds – current year

	As at 1 April 2023 £	Income £	Expenditure & Losses £	Transfers and Gains £	As at 31 March 2024 £
Restricted funds:					
Hospice staffing	-	4,240	(2,980)	-	1,260
Hospice Companion	14,011	-	(14,011)	-	-
Patient Welfare	3,375	-	(657)	-	2,718
Chapel	4,180	1,000	(5,095)	-	85
Equipment	4,635	19,114	(23,249)	-	500
Projects	46,497	-	(10,772)	(35,725) *	-
Grounds and Gardens	1,091	1,575	(2,011)	-	655
Fundraising	-	16,000	(16,000)	-	-
EDI	2,339	31,000	(27,816)	-	5,523
Sustainability	-	9,983	(5,506)	-	4,477
OUH Capital	778,496	-	-	(778,496) **	-
Total restricted funds	<u>854,624</u>	<u>82,912</u>	<u>(108,097)</u>	<u>(814,221)</u>	<u>15,218</u>
Designated & general funds:					
Designated lottery fund	-	50,000	(41,165)	-	8,835
General funds	5,102,011	2,555,113	(3,248,316)	1,080,811	5,489,619
Total unrestricted funds	<u>5,102,011</u>	<u>2,605,113</u>	<u>(3,289,481)</u>	<u>1,080,811</u>	<u>5,498,454</u>
Total funds	<u><u>5,956,635</u></u>	<u><u>2,688,025</u></u>	<u><u>(3,397,578)</u></u>	<u><u>266,590</u></u>	<u><u>5,513,672</u></u>

*A fund held for the Oxford Palliative Care Network was transferred to Helen and Douglas House Children's Hospice under a TUPE agreement.

** During the year The Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB), as the organisation which evolved from the Oxfordshire Clinical Commissioning Group (CCG), released any restriction on grants awarded to Katharine House Hospice Trust by the Oxfordshire CCG in March 2021 and March 2022.

19 (b) Movement on funds – prior year

	As at 1 April 2022 £	Income £	Expenditure & Losses £	Transfers and Gains £	As at 31 March 2023 £
Restricted funds:					
Hospice Staffing	-	5,100	(5,100)	-	-
Hospice Companion	14,011	-	-	-	14,011
Patient Welfare	-	3,375	-	-	3,375
Chapel	622	4,000	(442)	-	4,180
Equipment	11,714	500	(7,579)	-	4,635
Projects	45,984	14,000	(13,487)	-	46,497
Grounds and Gardens	2,241	-	(1,150)	-	1,091
Fundraising	-	15,900	(15,900)	-	-
EPIc Information Hub	-	3,400	(3,400)	-	-
EDI	-	20,000	(17,661)	-	2,339
Sustainability	-	-	-	-	-
OUH Capital	778,496	-	-	-	778,496
Total restricted funds	853,068	66,275	(64,719)	-	854,624
Unrestricted funds:					
General funds	5,754,424	2,698,256	(3,158,222)	(192,447)	5,102,011
Total funds	6,607,492	2,764,531	(3,222,941)	(192,447)	5,956,635

Fund descriptions and policy

A summary of the risk-based reserves policy is provided in the Trustees' report. Overall, the charity needs to retain £3.0m (2023: £3.4m) of free reserves to satisfy the full on-going reserves requirement. This will enable Katharine House Hospice Trust to manage short term losses of statutory or fundraising income and provide sufficient time to plan any changes required to future service delivery.

Restricted Funds:

Hospice Staffing Fund – This fund represents donations received with the specific request that they be used to defray the cost of hospice staffing.

Hospice Companion Fund – This fund represents donations received with the specific request that they be used to defray the cost of the hospice companion service.

Patient Welfare Fund – This fund represents donations received with the specific request that they be used to defray the cost of projects that enhance patient wellbeing and welfare. This includes Art Room supplies, massage and therapy supplies, musical instruments, games, and stories for life.

Chapel Fund – This fund represents donations received with the specific request that they be used to defray the cost of running of our chapel.

Equipment Fund – This fund represents donations received with the specific request that they be used to purchase new equipment.

Projects – This fund represents donations received with the specific request that they be used for projects.

Grounds & Gardens Fund - This fund represents donations received with the specific request that they be used to defray the cost of the upkeep of our grounds and gardens, which help create an atmosphere of peace and tranquillity at the hospice for all those who come to us.

Fundraising Fund - This fund represents donations received with the specific request that they be used to defray the cost of running fundraising events.

EPiC Information Hub Fund - This fund represents donations received with the specific request that they be used to defray the cost of creating the End-of-life and Palliative Care (EPiC) Resource Centre online.

EDI Fund - This fund represents donations received with the specific request that they be used to defray the cost of managing the project *“Inclusion Matters”: Creating a culture of equality, diversity, and inclusion at Katharine House Hospice and Sobell House*.

Oxford University Hospital Fund – This fund represents income received from Oxford University Hospitals NHS Foundation Trust to cover future capital works and transition expenses.

Designated and Unrestricted Funds:

Designated lottery development fund – In order to safeguard stakes, The Gambling Commission stipulates that all lottery development is funded from reserves. Therefore, the trustees have designated a fund for us to partner with a face-to-face charity fundraising company to canvass for new lottery players. In addition, the lottery is operated from separate bank accounts, and enough money is retained in the lottery bank to cover 110% of any advanced stakes and all outstanding prizes (subject to the terms of the lottery).

General Fund - This fund recognises the need to protect hospice services in the light of the challenges faced by all within the hospice sector of maintaining and building both statutory and fundraising income, and the high level of costs incurred. This fund will continue to be treated as unrestricted funding, in line with the wider charity sector.

20. Operating lease commitments payable as a lessee

The charity’s total future minimum lease payments under non-cancellable operating leases was as follows:

	2024	2023
	£	£
Less than one year	143,959	116,620
One to five years	236,783	316,467
Over five years	-	-
	<u>380,742</u>	<u>433,087</u>

21. Commitments including grant commitments

As at 31 March 2024, the charity had no capital commitments (2023: £nil).

On 31 March 2021 Katharine House Hospice Trust (KHH) entered into an agreement with Oxford University Hospitals NHS Trust (OUH) to transfer the provision of hospice and palliative care services to OUH. KHH agreed to provide a grant to OUH of £1.4m each year until 31 March 2024, funded from ongoing fundraising activities and reserves. A memorandum of understanding is in place for a new agreement with OUH for a further 3-years on terms more beneficial to the hospice.

22. Contingent liabilities

Contingent liabilities

As at 31 March 2024 the charity had £50k of estimated contingent liabilities (2023: £nil).

There has been some movement in the structure of the hospice building that we have worked to stabilise. While structural engineers' opinions advise it is not a serious problem it is difficult to plan for any remedial work, or to estimate the financial effect of any work that may be required. Any expense will be met from reserves.

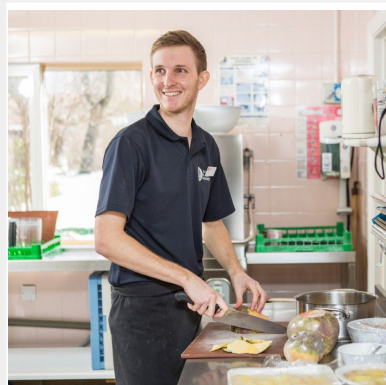
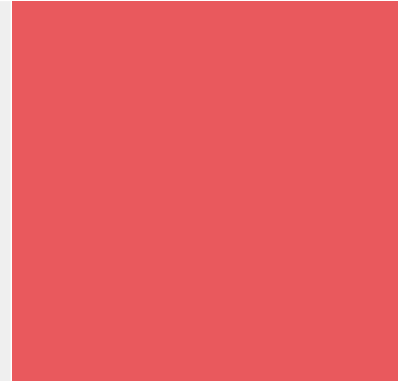
The charity also has 8 tenant repairing leases within our retail operations. There are only minimal current dilapidations, but there is a contingent liability for future dilapidations. Considering the expected condition of each property at return, (and using rent as a proxy for the size and initial condition) the contingent dilapidations liability is estimated to be in the region of £50k.

23. Related party transactions

One trustee was reimbursed £156 of expenses for a trustee event during the year (2023: £nil). There were no other related party transactions.

24. Taxation

The charity is exempt from corporation tax as all its income is charitable and applied for charitable purposes.



01295 811866



Katharine House Hospice, Aynho Road, Adderbury, OX17 3NL



www.khh.org.uk

KATHARINE HOUSE HOSPICE TRUST

England & Wales - Charity number 297099

Accounts

Annual report and financial statements

For the year ended 31 March 2023

The Katharine House Hospice Trust
(Company limited by guarantee)
Company No. **02133391**
Registered Charity No. 297099



**KATHARINE
HOUSE
HOSPICE**

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Reference and Administrative Details:

Registered name	The Katharine House Hospice Trust	
Status	<p>The Katharine House Hospice Trust is a Charitable Company limited by guarantee, incorporated on 20 May 1987 and registered as a Charity on 26 June 1987.</p> <p>As the Katharine House Hospice Trust is a Company limited by guarantee it has no share capital, with all Trustees being members of the Company. The liability of the members is limited to £1 in the event of the winding up of the Company.</p>	
Governing document	The Company was established under Memorandum and Articles of Association which established the objects and powers of the Charitable Company.	
Company number	02133391 (registered in England and Wales)	
Charity number	297099	
Registered office	Aynho Road, Adderbury, Banbury OX17 3NL	
Trustees	<p>Ms Lindsey Bowser Ms Geraldine Burke Sir Tim Jenner (chair) Mr Richard Jones Dr Christina Lloyd Ms Catherine Teideman Ms Vicki Reay (resigned 15 July 2022) Ms Holly Spiers (resigned 17 August 2022) Mr Robert Cooke Mr Samuel Shadbolt Ms Claire Louise Dobbs (appointed 22 February 2023)</p>	
Senior Leadership Team	<p>Trevor Johnson Emma Radley Stephanie Lawless Jeremy Childerstone Karen Welsh Scott Bloomfield</p>	<p>Chief Executive (resigned 28 February 2023) Chief Executive (appointed 9 May 2023) Head of Fundraising Head of Finance Head of Marketing and Communication Head of Retail</p>

Advisors:

Principal Bankers	Yorkshire Bank 7 Gold Street Northampton NN1 1EN
	HSBC 17 Market Place Banbury OX16 5ED
	NatWest 1 Town Hall Buildings Bridge Street Banbury OX16 5JS
Investment Managers	Investec Investment Wealth Limited 30 Gresham Street London EC2V 7QN
	CCLA Investment Management Ltd One Angel Lane London EC4R 3AB
Solicitors	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES
	Gisby Harrison Goffs Oak House Goffs Lane Goffs Oak Cheshunt Herts EN7 5HG
Auditors	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP

The Trustees present their annual report together with the audited financial statements for the year ended 31 March 2023. The format and content of the report and the financial statements comply with current statutory requirements, the Charity's Memorandum and Articles of Association and the Charities Statement of Recommended Practice (FRS 102 second edition – October 2019) 'Accounting and Reporting by Charities'.

Statement from Sir Tim Jenner, Chair of Trustees.

Very few charities have prospered over the last 12 months given the pressures on cost of living resulting from the domestic and international environment, so it has been gratifying to report that Katharine House has performed well. The changes made to reflect the different nature of the charity have bedded in extremely well with the revised Board of Trustees and Senior Leadership Team working together to redefine our strategy and goals. This has been no easy task – forecasting the landscape in which we operate for the next few years is virtually impossible, but we have been able to concentrate on some realistic aims for the next two years.

I am grateful to our outgoing CEO, Trevor Johnson, who moved on at the end of the period to a well-deserved new appointment; his concentration on creating an outstanding internal team and fostering external relations has been the crucial cornerstone in our success. We wish him well in his new role.

The clinical service which we fund our partners at Oxford University Hospitals NHS Trust (OUH) to deliver, has continued to provide outstanding service within each of its areas of activity and is the key element in fostering the exceptional levels of support we receive from our local community. The clear link between recognisably excellent clinical output and the readiness of our supporters to contribute to our fundraising and retail activities is a focus for the efforts of our teams. The cohesion which exists within the hospice between the funders and the funded is fundamental to the continuing success of our collaborative endeavours. At the strategic level we continue to engage with OUH senior management to pursue our strategic aim of helping to enhance end of life and palliative care services. The relationship has not been without its challenges as the NHS grapples with funding and manpower issues, but we are working together to ensure the optimum output.

Our three-year horizon for achieving financial stability has been impacted by the cost-of-living challenges facing the UK. Although the Charity has performed well against the benchmark of similar organisations, we have not reduced the annual deficit by as much as we envisaged. We now expect it will take a further year before we reach a deficit-free position and can then begin to fund the enhanced services that our community deserves. Importantly, meeting the challenge is seen by all our team as being achievable. All of the Board of Trustees join me in recording our thanks and appreciation to all our staff and volunteers who continue to work so tirelessly on behalf of our beneficiaries.

1. Structure, governance, and management

Governing document and structure

The Company was registered in May 1987 (No. 02133391) with the governing instrument being its Memorandum and Articles of Association. The Articles state that the Board of Trustees shall have full discretion as to the admission of any person to membership of the association.

The Katharine House Hospice Trust is a company limited by guarantee, having no share capital, with all Trustees being Members of the company. The liability of the Members is limited to £1 in the event of the winding up of the company.

The Trustee Board

The Board of Trustees meets quarterly to ensure effective governance of the Charity. The Chief Executive is appointed by the Board and has delegated responsibility for the day-to-day management of the Charity with the support of the Senior Leadership Team.

The Board of Trustees is fully committed to the financial stewardship, quality, and safety of the Charity.

The Katharine House Hospice Trust
Annual Report and Financial Statements for the year ended 31 March 2023
Report of the Board of Trustees (incorporating the Strategic Report)

The Trustees are guided by an agreed scheme of corporate governance which sets out their responsibilities and those of the Senior Leadership Team. Potential conflicts of interest are addressed in a Conflict of Interests Policy and a register of Trustees' interests is maintained. Potential conflicts of interest are addressed at every meeting of the Trustees.

A Trustees' skills matrix is used to determine the skills requirements when vacancies occur. A search is then undertaken, applicants are interviewed, and a vote of members is taken to decide upon appointment.

New Trustees undertake an induction programme designed to ensure their understanding of the Trustee role and their knowledge of the hospice and wider hospice sector. As well as a review of core documents the induction provides opportunities to meet with staff and volunteers across the hospice, and to observe or shadow parts of our service delivery.

No Trustee received any remuneration during the year nor any reimbursement of expenses (see note 9) to the financial statements.

Sub-committees

The Board is advised by a range of sub-committees:

- Finance Audit and Risk
- Income Generation
- General Management

Organisation structure and key management personnel

Trustees are responsible for the strategic direction of the organisation. Day to day management is delegated to the Senior Leadership Team. The pay of the Leadership Team is set by Trustees in line with the pay policy of the Charity, which is in line with market rates for similar roles in the charity sector.

2. Objectives, values, and public benefit statement

Objectives

We collaborate with Oxford University Hospitals NHS Foundation Trust (OUH) and other agencies to fund the provision of specialist palliative care for adults with life-limiting conditions across North Oxfordshire, South Northamptonshire, and South Warwickshire.

Whilst we fund care for people at end of life, we also fund care for the support of symptom management and pain relief throughout a person's illness. Care is not just about managing the physical symptoms of disease; we know that people need emotional and spiritual support, and the team works to support people in these areas as well as helping them to access the practical support they need.

Care is offered throughout the local community. Whilst many patients come into the Hospice, care is provided for many more in their own homes, care homes or in hospital.

Our vision and strategic values

Our vision is to ensure that every day is the best day possible for patients and families affected by incurable illness in our local community. Our strategic values are:

- Trust – To be trusted as a partner and as an advocate by those we work with, our community and supporters. To be trusted as we fundraise for the provision of advice and practical support on specialist palliative care across our catchment area.
- Community – To be the key community representative in palliative care. To be the charity of choice for our community.
- Innovation – To utilise all resources, ensuring that we respond to fundraising opportunities and patient need in the most impactful and innovative ways possible.

- Accountability – To ensure that we communicate to our supporters the importance and the impact of their donations.
- Making Every Moment Matter – To enable our patients and families to make the most of life, by funding services that support them. To communicate how to live with a palliative diagnosis and how we can support that.

Public benefit statement

The Trustees have referred to the Charities Act 2011 for guidance on public benefit when reviewing the aims and objectives of Katharine House Hospice and in planning its future activities and the OUH partnership, and consequently are able to confirm their belief that the Hospice's activities are of public benefit and will continue to be in the future. Our activities and achievements in furtherance of the public benefit are set out below.

3. Grant making and the provision of care and services

Grant making

Katharine House Hospice Trust (KHH) provides a £1.4m grant to Oxford University Hospitals NHS Foundation Trust (OUH) to provide palliative and end of life care services as defined in the Integrated service model for palliative care. The vision is to provide equitable high quality holistic palliative and end of life care for the people of Oxfordshire and South Northamptonshire, and those close to them, with advice and support being available 24/7. The partnership is structured to enable the Hospice to become more resilient and able to influence changes to improve palliative and end of life care provision, to respond to unmet need, and to reach under-served communities.

In addition, OUH receives funding from Integrated Care Boards (ICBs). The total funding and charitable expenditure of the Hospice is shown in the table opposite – Katharine House Hospice Funding, Expenditure & Patient Numbers.

Hospice services

At the centre of the Hospice's philosophy is our belief in caring for the whole person. We address the physical, psychological, social, and spiritual needs of our patients in equal balance to ensure that they and their family are best supported. We recognise people as individuals, and the multi-disciplinary team of specialist palliative care nurses, doctors and other professionals, work in collaboration with other health providers and volunteers to ensure the delivery of the right care to support each patient in ways which reduce their symptoms, enhance quality of life, and help them to live as fully as possible with their illness. The core services are as follows:

Inpatient unit (IPU)

The IPU at our hospice in Adderbury provides round the clock specialist care for people in a welcoming and safe environment and patients may be admitted for symptom control as well as end of life care.

Living Well

The aim of Living Well is to enhance the wellbeing of people affected by life-limiting illness. Wellbeing means different things to different people and so our aim is to offer a programme of varied support and activities within which we hope everyone will find something right for them.

The service is run by a multi-professional team including a nurse, health care assistant, chaplain, social worker, physiotherapist, and lymphoedema nurse.

Community nursing (CNS homecare)

Hospice community services enhance the care already available in the community meaning not everyone needs to visit the Hospice itself. Our team of Clinical Nurse Specialists, registered nurses who have specialised in palliative care, give bespoke advice and support to help manage patients' symptoms as well as helping them and their family to meet their social, emotional, and spiritual needs.

Bereavement, lymphoedema and other services

Coping with the loss of someone special is difficult and can be painful. Grief may leave loved ones feeling sad, lost, guilty, confused, relieved and exhausted, all at the same time. There may be many changes and adjustments to be made and loved ones might have questions or need practical and emotional support. The bereavement team of volunteers, overseen by the bereavement lead, is there for family and friends of people who have been in our care.

The Hospice lymphoedema nurse works with patients to manage and reduce swelling caused by cancer and cancer treatments.

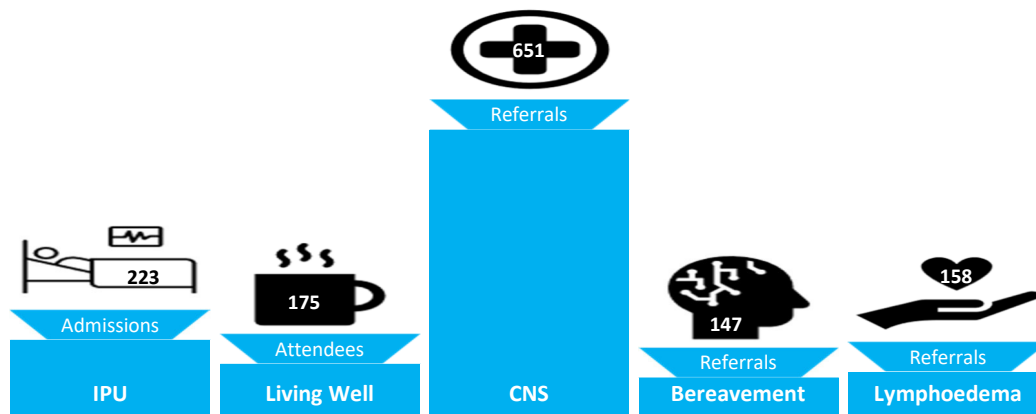
The Hospice also supports patients with life limiting illnesses who have been admitted to other OUH facilities. The Hospice team works alongside hospital teams in an advisory capacity.

Katharine House Hospice Funding, Expenditure & Patient Numbers

Total 2023							
£'000							
Hospice funding							
Grant payments	1,400						
Equality, diversity and inclusion	18						
Hospice communications	31						
Building cost (depreciation)	55						
Total KHH Trust funding	1,504						
ICB funding	1,561						
Total Hospice funding	3,065						
Hospice expenditure		IPU	Living Well	CNS	Bereavement & other services	EDI	
Direct salary costs	2,418	1,621	259	379	159	-	
Other medical costs (allocated)	160	107	17	25	11	-	
Support costs (allocated)*	656	441	70	103	43	-	
OUH costs	3,234	2,169	346	507	213		
Equality, diversity, and Inclusion	18					18	
Hospice communications	31	21	3	5	2		
Building costs (depreciation)	55	28	23	3	1		
KHH costs	104	49	26	8	3	18	
Total Hospice expenditure	3,338	2,218	372	515	216	18	
Notional deficit in OUH	-273						



Patient Numbers



Volunteers & social investments

Our staff and volunteers are our most important asset. Without their skills, expertise, and dedication we wouldn't be able to provide the care we do to patients and families throughout the year.

Our 241 regular volunteers make a huge contribution to our work. Working 55,804 hours in total, the work of our volunteers equates to approximately 29 full time staff. Were we to have to pay for the amazing work that they undertake then this would cost the charity approximately £999,470.

During the year we have continued to invest in restructuring our team to bring new skills into the Charity. We also provide ongoing skills training - for example how to better use our data, mental health first aider training, presentation and public speaking skills, and supporting key staff members via the apprenticeship scheme.

4. Strategic Report

Fundraising activities, achievements, and performance including fundraising disclosures under section 13 of the Charities Act 2016

The charity continued to recover from the COVID pandemic but has then suffered as a result of the cost of living crisis. This has affected the average level of donations and event income per head, but has not resulted in a downturn in public engagement and willingness to take part in fundraising events.

The Trustees believe we have performed better than many similar charities. We ran a successful, fully sponsored, Midnight Walk in June, a Santa Fun Run that was more successful than the previous year, and were supported by RC Baker with a very successful Tractor Run in December.

On 21 November the Charity was granted an enhanced gambling licence that will enable increased activity in lottery and raffles moving forward.

Retail has performed strongly, particularly influenced by the performance of our refurbished flagship shop in Banbury, and the further development of our online operation, including a new pricing strategy which has boosted income by 30%.

All of this activity has helped minimise the downturn in the second half year.

During the current year the charity has continued to restructure the team to be fit to deliver the core fundraising activities. This long-term planning should generate success in subsequent years.

The Charity is a member of the Fundraising Regulator, The Charity Retail Association and The Institute of Fundraising. During the year the Charity upheld two complaints related to fundraising activity which were resolved without escalation. One related to a spelling error in the raffle, and the other to the omission of a loved one's name at an event. Our complaints policy and procedures are robust, and we take all supporter feedback seriously. We recognise the value of listening to all feedback and where a complaint indicates a shortcoming, we take the appropriate measures, whether in changing our procedures or providing training for staff to prevent recurrence of issues and improve supporter care.

Under the provisions of Section 13 of the Charities (Protection and Social Investment) Act 2016, Katharine House Hospice does not employ external fundraising agencies.

Katharine House Hospice works within the Fundraising code to ensure that vulnerable people are protected within all fundraising activities.

Financial review & significant events:

Before revaluation of investments, for the financial year ended 31 March 2023, the Hospice recorded a deficit of £460k in unrestricted funds (2022, surplus £179k) and a deficit of £2k in restricted funds (2022, surplus £227k).

After revaluation of investments, the net deficit for the year is £651k (2022, surplus £592k).

The Katharine House Hospice Trust
Annual Report and Financial Statements for the year ended 31 March 2023
Report of the Board of Trustees (incorporating the Strategic Report)

In the financial year ended 31 March 2022, the Hospice received £1m of transitional support, made up of £650k of grants from OUH and the waiver of the £350k Q4 grant payment from us for the provision of clinical services. This support was primarily given because of uncertainties surrounding commissioning arrangements in 22/23 following the introduction of Integrated Care Boards.

Income

Total income received in the year decreased by 8.7% to £2,765k (2022: £3,028k) as shown below.

	Note	2023 £	2022 £	+/-%
Donations	2	692,416	732,853	-5.5%
Legacies	2	453,677	371,684	22.1%
Charitable activities (including statutory funding)	3	222,542	694,362	-68.0%
Retail income	4a	894,736	771,122	16.0%
Other trading	4a	366,875	387,246	-5.3%
Investments	5	109,721	70,815	54.9%
Other Income	4b	24,564	-	n/a
		<u>2,764,531</u>	<u>3,028,082</u>	<u>-8.7%</u>

Donations

Income from donations for the year was £692k (2022: £733k) slightly lower than the previous year. After a very positive first half year performance the Charity was impacted by the exceptionally tough fundraising environment, commonly referred to as the “cost of living crisis.” However, support for the Christmas appeal and events such as the Santa Fun Run and Tractor Run have been resilient due to the amazing support of our local community.

Legacies

Income from legacies for the year was £454k (2022: £372k). The Charity believes that there was a backlog in the probate system following Covid 19.

Charitable Activities (Fees & grants)

Income from fees and grants for the year are considerably down at £223k (2022: £694k). As stated above, in the financial year ended 31 March 2022, the Hospice received £650k of grants from OUH due to uncertainties surrounding commissioning arrangements in 22/23 following the introduction of Integrated Care Boards.

Retail income (charity shops)

The Hospice runs 6 shops and one online shop. Income from shops was £895k (2022: £771k) much higher than the previous year. Income from online sales more than doubled and all of our sites showed good growth. During the year the largest shop at Banbury was closed for a 6-week period for a major refurbishment. The shops were also briefly closed at the very start of the previous year due to Covid 19 restrictions and received furlough and retail grant income.

Investment income

Investment income was £110k (2022: £71k). The Covid pandemic followed by war in Ukraine in quick succession required central banks to raise interest rates rapidly in a bid to curb surging inflation. Higher bond yields then resulted in volatility and large negative capital losses as both bonds and equities fell in tandem. However, investment income has been more resilient, and in addition, the Charity has benefitted from much higher yields on money on deposit.

Expenditure and staff costs

The cost of raising funds has risen to £1,719k (2022: £1,496k). The main factor is the restructuring of the Fundraising Team which is essential for the charity to eliminate its current deficit. Reflecting this, during the year, the total average full time equivalent (FTE) headcount increased to 31 (2022: 28.) In addition, all staff salaries were benchmarked in the year against the charity sector. Staff costs remain our key expenditure and now represent 32.7% of our annual expenditure (2022: 34.0%).

Expenditure on charitable activities is also considerably higher at £1,504k (2022: £1,126k). In the financial year ended 31 March 2022 OUH waived the £350k Q4 grant payment from us for the provision of clinical services.

Investment Policy and Performance

In accordance with the Memorandum and Articles of Association, the Trustees have the authority to invest in such stocks, shares, investments, and property as they see fit. An agreed Investment Policy describes the Trustees' investment aspirations which include:

- Providing income
- Providing enhanced value where possible
- Avoiding undue risk by investing diversely and monitoring investments carefully
- Avoiding investment in tobacco related industries

The combined performance of our Investment Fund Managers showed a net capital loss (realised and unrealised) of £192k for the year (2022: gain £186k).

Our investment portfolio decreased in value to £3,250k (2022: £3,349k.) We have not drawn down on our investment portfolio in 2022-23. In addition, cash held in investments has decreased to £27k (2022: £88k)

Our bank deposits have increased in value to £918k (2022: £nil). This is mainly due to placing on deposit most of the £1m of transitional support received from OUH. Higher interest rates have also made holding cash on deposit more attractive. These deposits are expected to be drawn down to cover future capital works and transition expenses.

Key risks

The Charity has a risk management system to identify key risks that could affect the achievement of our objectives. The process focuses on four potential areas of risks each falling under the auspices of one of the Trustee committees and one of the members of the Senior Leadership Team (SLT). They are retail, fundraising, finance, and general management (including the Hospice premises.)

The risk management process is conducted at least annually and comprises the following steps:

1. Risks are identified and reviewed together with any mitigation measures by the SLT
2. Risks are scored for impact and likelihood to give a risk score (before and after mitigation) by the SLT
3. Scored risks with mitigations are reviewed by the appropriate sub-committee and the risk register updated
4. Scored risks with mitigations are reviewed by the finance, audit and risk committee, which has delegated responsibility for managing risk
5. The final risk register is reviewed and approved by the Board of Trustees.

Katharine House Hospice is one year into a three-year plan to achieve sustainable levels of income. Therefore, the Charity has identified the key local risk, which is hardest to mitigate for, as the loss or long term absence of one or more members of the SLT during this critical period.

Globally, the Trustees consider the key risk to be the geopolitical and economic situation started by the war in Ukraine and commonly referred to as "the cost-of-living crisis." In common with the wider charity sector, this is already having an adverse impact on our fundraising activities and investment values. In addition, the Charity expects significant wage inflation, not least due to rises in the minimum wage. These pressures are expected to continue until at least 30 September 2023. The situation is closely monitored by the Trustees.

Future plans

The Charity is an organisation that exists to fund and direct the provision of palliative care to the community within our region. Our future plans include to:

- Invest in our Hospice buildings to improve our patients' experience
- Launch a new online support hub for those diagnosed with palliative care needs
- Increase the number of retail outlets and improve the existing retail estate
- Increase the number of players in our lottery
- Expand our fundraising reach to improve our presence beyond Banbury
- Increase the level of philanthropic giving
- Expand the range of volunteering opportunities

5. Reserves policy

The Charity has developed a Reserves Policy that includes a realistic assessment of the impact of a sudden and dramatic reduction in income. The Trustees judge that the Charity should aim to maintain £3.4m of free reserves sufficient to pay its operating expenses and Grant commitments for one year.

As at 31 March 2023 the level of free reserves held was £3.453m (2022: 4.079m), very slightly in excess of the reserves policy. However, after considerable early success, our three-year plan to achieve financial sustainability has been negatively impacted by the cost-of-living crisis. Against a backdrop of high inflation coupled with pressure on fundraising, the Trustees consider that there will continue to be deficits for the immediate future which will have to be met from free reserves.

When the Trustees consider the Hospice to be financially self-sufficient a further review of the level of reserves will be undertaken. A detailed breakdown of reserves by category is shown in notes 18 & 19.

6. Statement of accounting and reporting responsibilities

The Trustees are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

Company and Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the Charity's incoming resources and application of resources, including the Charity's income and expenditure for that year. In preparing those financial statements, the Trustees are required to:

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

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

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

7. Statement of disclosure of information to auditors

We confirm that, in so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors & Trustees report (including Strategic report) is approved on behalf of the Trustees by:



Sir Tim Jenner
Chair of Trustees

24 August 2023

Independent Auditor's report to the members of The Katharine House Hospice Trust for the year ended 31 March 2023

Opinion

We have audited the financial statements of The Katharine House Hospice Trust for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Charity Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Director's 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 Katharine House Hospice Trust's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the Directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and the strategic report included within the Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate and proper 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 the Trustees

As explained more fully in the Trustees' responsibilities statement [set out on page 9], 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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 Directors/Trustees, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company,
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- 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 assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and

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 meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with 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

The Katharine House Hospice Trust
Annual Report and Financial Statements for the year ended 31 March 2023
Independent Auditor's report (continued)

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.



Robert Kirtland, Senior Statutory Auditor
for and on behalf of Critchleys Audit LLP
Statutory Auditors
Beaver House
23 – 38 Hythe Bridge Street
Oxford
OX1 2EP.
19/9/2023

The Katharine House Hospice Trust
Annual Report and Financial Statements for the year ended 31 March 2023
Statement of Financial Activities
(Including Income and Expenditure account)

		Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	2	1,133,093	13,000	1,146,093	1,103,412	1,125	1,104,537
Charitable activities	3	169,267	53,275	222,542	444,362	250,000	694,362
Retail activities	4a	894,736	-	894,736	771,122	-	771,122
Other trading activities	4a	366,875	-	366,875	387,246	-	387,246
Investments	5	109,721	-	109,721	70,815	-	70,815
Other Income	4b	24,564	-	24,564	-	-	-
Total income		2,698,256	66,275	2,764,531	2,776,957	251,125	3,028,082
Expenditure on:							
Raising funds	6	(921,946)	(24,629)	(946,575)	(824,308)	(3,608)	(827,916)
Retail activities	6	(772,497)	-	(772,497)	(668,517)	-	(668,517)
Charitable activities	6&7	(1,463,779)	(40,090)	(1,503,869)	(1,105,345)	(20,324)	(1,125,669)
Total expenditure	6	(3,158,222)	(64,719)	(3,222,941)	(2,598,170)	(23,932)	(2,622,102)
Net (expenditure)/ income before revaluation		(459,966)	1,556	(458,410)	178,787	227,193	405,980
Net (loss)/ gain on investments		(192,447)	-	(192,447)	185,804	-	185,804
Net (expenditure)/ income for the year		(652,413)	1,556	(650,857)	364,591	227,193	591,784
Transfers between funds		-	-	-	-	-	-
Net movement of funds for the year		(652,413)	(1,556)	(650,857)	364,591	227,193	591,784
Reconciliation of funds:							
Balances brought forward 31 March	18	5,754,424	853,068	6,607,492	5,389,833	625,875	6,015,708
Balances carried forward 31 March	18	5,102,011	854,624	5,956,635	5,754,424	853,068	6,607,492

The notes on pages 19 to 32 form part of these financial statements.

The Katharine House Hospice Trust
Annual Report and Financial Statements for the year ended 31 March 2023
Charity Balance Sheet

		2023		2022	
	Note	£	£	£	£
Fixed assets:					
Intangible assets	11	-		13	
Tangible assets	12	1,648,538		1,675,113	
Investments	13	3,276,659		3,437,777	
			4,925,197		5,112,903
Current assets:					
Stock – goods for resale		-		1,704	
Debtors	15	297,773		908,174	
Cash at bank and in hand		1,316,383		836,231	
		1,614,156		1,746,109	
Liabilities:					
Creditors: amounts falling due within one year	16	(582,718)		(251,520)	
Net current assets			1,031,438		1,494,589
Total net assets	18		5,956,635		6,607,492
Funds:					
Restricted income funds	19	854,624		853,068	
Unrestricted funds	19	5,102,011		5,754,424	
Total funds	18		5,956,635		6,607,492

The notes on pages 19 to 32 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Trustees on 24 August 2023 and were signed on its behalf by:



Sir Tim Jenner

Chair of Trustees

Company Registration Number: 02133391

The Katharine House Hospice Trust
Annual Report and Financial Statements for the year ended 31 March 2023
Statement of Cash Flows

	Note	2023	2022
		£	£
Cash flows from operating activities			
Net (expenditure) / income for the reporting period (as per the Statement of Financial Activities)		(458,410)	405,980
Amortisation of intangible assets	8	13	4,488
Depreciation of fixed assets	8	75,670	68,258
Dividends, interest, and rent from investments	5	(109,721)	(70,815)
(Profit) on the disposal of fixed assets	8	(14,123)	-
(Decrease)/(increase) in stock		1,704	(1,704)
Decrease in debtors		610,401	123,935
Increase/(decrease) in creditors		331,198	(228,315)
Net cash from operating activities		436,732	301,827
Cash flows from investing activities:			
Interest received	5	21,197	7,113
Dividends received	5	88,524	63,702
Proceeds from sale of tangible fixed assets		14,123	-
Purchase of tangible fixed assets		(49,095)	(57,383)
Proceeds from sale of investments		831,843	1,027,716
Purchase of investments		(924,010)	(2,863,402)
Net cash (used in) investing activities		(17,418)	(1,822,254)
Change in cash and cash equivalents in the year		419,314	(1,520,427)
Cash and cash equivalents at the beginning of the year		924,117	2,444,544
Cash and cash equivalents at the end of the year		1,343,431	924,117
Cash and cash equivalents are held as follows:			
Cash at bank and in hand		1,316,383	836,231
Cash held in investments	13	27,048	87,886
Cash and cash equivalents at the end of the year		1,343,431	924,117

Notes to the financial statements for the year ended 31 March 2023

Statutory information

The Katharine House Hospice Trust Ltd is a private company limited by guarantee, registered in England and Wales, registration no 2133391. The registered office is Aynho Road, Adderbury, Banbury OX17 3NL.

Compliance with accounting standards

The format and content of the financial statements have been prepared in accordance with the Charities SORP (FRS 102), the Charities Act 2011, the Companies Act 2006 and FRS 102.

Public Benefit Entity

The Charity is a public benefit entity.

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below and have remained unchanged from the previous period.

Hospice communication costs were previously included within Costs directly allocated to Charitable activities as fund raising (see note 6). During the current year the Hospice has launched the End-of-life and Palliative Care (EPIc) resource centre, a collaboration between expert research writers, clinical staff and service leads from across Katharine House Hospice. This has confirmed to the Trustees that Hospice Communication is also an important part of our charitable activities. Therefore, the Trustees have changed the presentation of Hospice Communication to be shown as a Support cost allocated to other activities (including charitable activities).

Similarly, support costs have been allocated to lottery for the first time following the grant of a society lottery licence from the Gambling Commission on 21 November 2022.

The prior year numbers have been restated to reflect both these changes of presentation.

(a) Going concern, basis of preparation, and presentation currency

The financial statements have been prepared on a going concern basis under the historical cost convention, modified by the inclusion of fixed asset investments at their market value.

At the time of approving the accounts, the Trustees have a reasonable expectation that Katharine House Hospice has adequate resources to continue in operational existence for the foreseeable future. The Trustees consider there are no material uncertainties about the Charity's ability to continue and adopt the going concern basis of accounting in preparing the accounts.

The financial statements are prepared in £ sterling, rounded to the nearest £, which is the functional currency of the Company.

(b) Basis of preparation of Charity financial statements

The Charity had one dormant subsidiary undertaking, Katharine's Cupboard Limited, which was dissolved in the year and was clearly immaterial in considering the financial position of the Charity (see Note 14). Therefore, the Charity has decided not to prepare consolidated accounts.

The Charity has adapted the Companies Act format of the financial statements to reflect the special nature of the Charity's activities.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income, the amount can be quantified with reasonable accuracy, and it is probable that the income will be received. The following specific policies are applied to categories of income:

Donations are accounted for as received by the Charity.

Gifts in kind: Estimating the fair value of donated goods for resale is impractical because of the volume of low-value items received. Therefore, donated goods for resale are not recognised on receipt. Instead, the value to the Charity of the donated goods sold is recognised as income when sold. Other gifts in kind, including donated facilities and services, are recognised in income at their fair value.

Legacy income is recognised at the earlier of receipt or when all the following conditions have been met:

- Probate has been granted.
- The Charity is able to measure the value of its entitlement accurately and confirm that there are sufficient funds to pay the legacy.
- Any conditions attached to the legacy are either within the control of the Charity or have been met.

Shop income is recognised on a cash receipt basis.

Lottery income is recognised when allocated to the current week's draw. Lottery funds received and not drawn before the balance sheet date are recorded as deferred income and included within creditors in the balance sheet. Raffle income is also recognised when the raffle is drawn.

The income from fund raising ventures is shown gross, with the associated costs included within fund raising costs.

Investment income is included when receivable. Realised and unrealised gains and losses are dealt with in the Statement of Financial Activities.

Grant income, including government grants, is recognised when receivable and conditions for receipt have been complied with. The Charity considers that where a term or condition simply restricts the use of a grant, this does not affect a Charity's entitlement to the gift and recognition of income.

No amount is included in the financial statements for volunteer time in line with the SoRP(FRS 102).

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as irrecoverable VAT in the appropriate expense category. Expenditure is categorised under the following headings:

Expenditure on Charitable Activities comprises those costs incurred by the Charity in grant funding and supporting the delivery of specialist palliative care and associated services for patients with a terminal illness.

Costs of Raising Funds comprise costs incurred in encouraging people and organisations to contribute financially to the Charity's work. This includes the cost of advertising for donations, the running of the lottery including prize money, costs associated with the running of the shops, and the staging of special fundraising events, and investment managers' costs.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly to that activity, with remaining support costs (which include office costs, governance costs and administrative payroll costs) being allocated to a particular activity on an appropriate basis as set out in notes 6 and 7.

(e) Fixed asset investments

Fixed interest investments are held to maturity for the purposes of income generation and not capital appreciation; the Trustees consider it appropriate to show these at cost less amortisation of premium paid.

Listed Equities are stated at market value as at the balance sheet date. Realised and unrealised gains and losses on investments during the year are dealt with in the Statement of Financial Activities.

Cash held in investments is included in investments rather than cash at bank and in hand.

Net gain/ loss on investments includes both realised and unrealised gains/ losses on the revaluation/ sale of investments.

(f) Current asset investments

Investments held for resale are included in current assets.

(g) Intangible assets

Intangible assets are amortised on a straight-line basis over their useful lives as follows:

Computer software	20%
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In the Statement of Financial Activities the amortisation charge is allocated between expenditure on raising funds and Charitable activities.

(h) Tangible fixed assets

Tangible fixed assets are included in the financial statements at historical cost, less accumulated depreciation. Depreciation of tangible fixed assets is provided on a straight-line basis, calculated at annual rates estimated to write off each asset over the term of its useful life. The depreciation rates applicable are:

Freehold land	nil
Freehold buildings	2%
Leasehold property	period of the lease
Motor vehicles, medical, office & catering & computer equipment	10%, 20% and 33 1/3%
Assets under construction	nil

(i) Stock

Any stocks of goods for resale are felt by the Trustees to be insignificant and are only carried at cost if purchased at the year end.

(j) Taxation

The Company is registered as a Charity and is not liable to corporation tax on its Charitable activities.

(k) Value Added Tax

The Company is partially exempt for the purposes of VAT.

(l) Pension costs

Retirement benefits are provided to employees by way of various pension schemes as set out in note 10 to the financial statements. Contributions payable to these pension schemes are charged in the Statement of Financial Activities in the period to which they relate. Any differences between the contributions payable in the year and those actually paid are included within creditors in the Balance Sheet. FRS 102 requires fixed payments amounts to be included on the Balance Sheet.

(m) Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the term of the lease.

(n) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, funding providers or which have been raised by the Company for a particular purpose. The costs of raising and administering such funds are charged against the specific fund.

(o) Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due.

(p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term, highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(q) Creditors and provisions

Creditors are recognised where the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(r) Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Income from donations & legacies

	2023			2022		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Donations	679,416	13,000	692,416	731,728	1,125	732,853
Legacies	453,667	-	453,677	371,684	-	371,684
	<u>1,133,093</u>	<u>13,000</u>	<u>1,146,093</u>	<u>1,103,412</u>	<u>1,125</u>	<u>1,104,537</u>

3. Income from charitable activities

	2023			2022		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Fees & Grants	169,267	53,275	222,542	444,362	250,000	694,362
	<u>169,267</u>	<u>53,275</u>	<u>222,542</u>	<u>444,362</u>	<u>250,000</u>	<u>694,362</u>

During the year Katharine House Hospice received £96,443 from Hospice UK, funded by NHS England, for our support to help manage the impact of the Omicron wave of Covid on NHS services.

Katharine House Hospice provides a grant to Oxford University Hospitals NHS Foundation Trust (OUH) to specifically fund provision of services. As part of the transfer of service provision to OUH, Oxfordshire Clinical Commissioning Group (CCG) agreed to share the risk with Katharine House Hospice Trust that fundraising activity alone would not cover the costs of grant payments to OUH (the risk share). During the year ended 31 March 2022, £400,000 of unrestricted income was received from the CCG to cover its share of risk for the year ended 31 March 2022 and buy out its remaining risk share for the year ended 31 March 2023. This payment was primarily made because of uncertainties over NHS commissioning arrangements in 2022/23 following the introduction of Integrated Care Boards.

During the year ended 31 March 2022, as a part of the transfer to Oxford University Hospitals NHS Foundation Trust, £250,000 of restricted income was received to cover future capital works and transition expenses. In addition, as part of the risk share negotiations OUH waived the quarter 4 grant payment of £350,000 to allow Katharine House Hospice Trust to manage fundraising risk in 2022/23 and, if sufficient, to build up further the funds available for repairs and maintenance in future years.

4a. Income from retail and other trading activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Charity shop income	894,736	-	894,736	743,894	-	743,894
Retail grant	-	-	-	24,751	-	24,751
Furlough grant	-	-	-	2,477	-	2,477
Total Retail	894,736	-	894,736	771,122	-	771,122
Lottery	165,038	-	165,038	173,868	-	173,868
Other fundraising income	201,837	-	201,837	213,378	-	213,378
Total other trading activities	366,875	-	366,875	387,246	-	387,246

4b. Other income

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Insurance Claims	10,441	-	10,441	-	-	-
Profit on disposal of fixed assets	14,123	-	14,123	-	-	-
	24,564	-	24,564	-	-	-

5. Income from investments

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Dividends – Equities	88,524	-	88,524	63,702	-	63,702
Interest - Fixed Interest Securities	759	-	759	7,113	-	7,113
Interest – Deposits	20,438	-	20,438	-	-	-
	109,721	-	109,721	70,815	-	70,815

6. Total expenditure

	Basis of Allocation	Retail		-----Raising Funds-----			Charitable		2023 Total	2022 (restated)
		Charity shops	Charity lottery	Fund Raising	Investment income	Charitable activities				
		£	£	£	£	£	£	£	£	
Costs directly allocated to Charitable activities										
OUH Grant payments*	Direct					1,400,000	1,400,000	1,050,000		
OUH capital works*	Direct						-	6,504		
OUH EDI officer	Direct					17,661	17,661	-		
Staff costs	Direct	326,785		387,738			714,523	590,888		
Rent & other shop costs	Direct	220,341					220,341	168,883		
Merchandise costs	Direct	33,341					33,341	25,023		
Staff training, recruitment & welfare	Direct	1,828		29,251			31,079	23,321		
Staff and patient travel	Direct	2,993		161			3,154	2,730		
Waste removal	Direct	17,366					17,366	15,938		
Lottery prizes & costs	Direct		89,179				89,179	85,064		
Other fundraising costs	Direct			135,503			135,503	89,081		
Irrecoverable VAT	Direct			20,845			20,845	14,532		
Investment manager costs	Direct					14,002	14,002	9,099		
Depreciation	Direct	7,759		4,059			35,696	35,095		
		610,413	89,179	577,557		14,002	1,441,539	2,732,690	2,116,158	
Support costs allocated to other activities										
Hospice communications	Hours	3,151	3,152	56,727			31,515	94,545	72,366	
Administration staff costs	Income	121,206	22,357	121,140				264,703	271,046	
Admin & office expenses	Income	22,681	4,184	22,671				49,536	43,291	
Utilities, services & insurance	Income	6,503	1,200	6,499				14,202	29,573	
Repairs and maintenance	Income	867	160	867				1,894	8,079	
Governance	Income	6,620	1,221	6,617				14,458	25,396	
Irrecoverable VAT	Income			10,926				10,926	18,542	
Depreciation	Floor	1,056	905	7,211			30,815	39,987	37,651	
		162,084	33,179	232,658		-	62,330	490,251	505,944	
Total expenditure 2023		772,497	122,358	810,215		14,002	1,503,869	3,222,941	2,622,102	
Total expenditure 2022 (restated)		668,517	121,405	697,412		9,099	1,125,669	2,622,102	2,622,102	

Represented by:

	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£	£	£	£	£	£
Raising funds	921,946	24,629	946,575	824,308	3,608	827,916
Retail activities	772,497	-	772,497	668,517	-	668,517
Charitable activities	1,463,779	40,090	1,503,869	1,105,345	20,324	1,125,669
	3,158,222	64,719	3,222,941	2,598,170	23,932	2,622,102

*Oxford University Hospitals NHS Foundation Trust

7. Expenditure on Charitable activities

	Basis of Allocation	2023 £	2022 (restated) £
Costs directly allocated to Charitable activities:			
OUH Grant payments	Direct	1,400,000	1,050,000
OUH capital works	Direct	-	6,504
OUH EDI officer	Direct	17,661	-
Depreciation	Direct	23,878	23,878
		1,441,539	1,080,382
Support costs allocated:			
Hospice communications	Hours	31,515	14,472
Depreciation	Floor	30,815	30,815
Total expenditure		1,503,869	1,125,669
Charitable expenditure by service			
		2023 £	2022 £
OUH Grant payments (all services)		1,400,000	1,050,000
OUH capital works (all services)		-	6,504
OUH EDI officer (all services)		17,661	-
Hospice communications (all services)		31,515	14,472
In Patient Unit		27,606	27,606
Living Well		19,383	19,383
CNS Home Care		3,082	3,082
Lymphoedema		616	616
Bereavement service		616	616
Welfare & education		3,390	3,390
Total expenditure (all Services)		1,503,869	1,125,669

With effect from 1 April 2021, all the clinical services previously provided by Katharine House have been carried out by Oxford University Hospitals NHS Foundation Trust to the same high standards of care that were previously provided by Katharine House. Grants have been made to OUH totalling £1,400,000 (2022: £1,050,000) for the purpose of providing funding to facilitate the Trust in carrying out the services.

8. Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2023 £	2022 £
Depreciation of fixed assets	75,670	68,258
Amortisation of intangible assets	13	4,488
(Profit) / loss on disposal of fixed assets	(14,123)	-
Operating lease rentals:		
Property	130,740	108,873
Other	1,972	2,059
Auditor's remuneration (excluding VAT):		
Audit	9,600	9,100
Other	-	-

9. Staff costs and numbers

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	919,410	741,068
Redundancy and termination costs	8,000	33,075
Social security costs	75,623	59,221
Pension costs	50,704	57,939
	<u>1,053,737</u>	<u>891,303</u>

Redundancy and termination payments are accounted for in the period in which the payments were made. During the current financial year such payments amounted to £8,000 including a £6,834 ex gratia payment (2022: £33,075 including a £3,000 ex gratia payment) and were charged to unrestricted funds.

Staff numbers

The average number of employees, and full time equivalent (FTE) employees, employed by the Charity during the year was:

	2023	2022	2023	2022
	FTE	FTE	No.	No.
Charitable activities	-	-	-	-
Support activities	6	6	8	8
Raising funds	25	22	32	29
	<u>31</u>	<u>28</u>	<u>40</u>	<u>37</u>

The number of employees whose total employee benefits (excluding employer pension costs) exceeded £60,000, for the reporting period fell within each band of £10,000 as follows:

	2023	2022
	No.	No.
£60,000 - £69,999	-	1
£70,000 - £79,999	1	-
£80,000 - £89,999	-	-
	<u> </u>	<u> </u>

The key management personnel of the Trust comprise the Trustees, the Chief Executive Officer, and the Senior Leadership Team. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £292,144 (2022: £289,884).

The Charity Trustees were neither paid or received any other benefits from employment with the Trust or its subsidiary in the year (2022: £nil), neither were they reimbursed expenses during the year (2022: £nil). No Charity Trustee received payment for professional or other services supplied to the Charity (2022: £nil).

The role played by Volunteers is disclosed in the Trustees' report (page 7)

10. Pension costs

Aviva Pension Scheme – Defined Contribution Scheme

The current scheme operated by the Company, is administered by Aviva and is a group personal pension scheme with defined contribution rules. The assets of the pension scheme are held separately from those of the Charity in independently administered funds.

The scheme was set up in 2008 with both a flexible contribution rate from the employer and an opportunity for employees to contribute via a salary sacrifice arrangement which the Trustees felt fairly reflected a modern pension scheme for its employees. Since May 2014, this scheme has been used as the Company's Auto Enrolment Scheme.

The Company's contributions to the scheme in the current year are based on a contribution rate of up to 13% of pensionable pay (2022: up to 13% of pensionable pay). There is also an option to make contributions to the scheme through a salary sacrifice – the company contribution rate with salary sacrifice is up to 21%, based on a 7% salary sacrifice (2022: up to 21%, based on a 7% salary sacrifice).

The pension costs for the year ended 31 March 2023, as included in the Statement of Financial Activities, amounted to £50,704 (2022: £57,939). The balance owing to the scheme as at 31 March 2023 is £13,961 (2022: £7,580).

11. Fixed assets – Intangible

	Computer software	Total
	£	£
Cost		
At 1 April 2022	271	271
Additions in year	-	-
Disposals in year	-	-
At 31 March 2023	<u>271</u>	<u>271</u>
Amortisation		
At 1 April 2022	258	258
Charge for the year	13	13
At 31 March 2023	<u>271</u>	<u>271</u>
Net book value		
At 31 March 2023	<u>-</u>	<u>-</u>
At 1 April 2022	<u>13</u>	<u>13</u>

All the above assets are used for Charitable purposes.

12. Fixed assets – Tangible

	Freehold land and buildings £	Leasehold improvement £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2022	2,831,171	34,302	121,615	42,815	3,029,903
Additions in year	-	26,501	22,594	-	49,095
Disposals in year	-	-	-	(24,395)	(24,395)
At 31 March 2023	2,831,171	60,803	144,209	18,420	3,054,603
Depreciation					
At 1 April 2022	1,226,421	32,222	57,068	39,079	1,354,790
Charge for the year	56,223	3,994	14,303	1,150	75,670
Eliminated on disposal	-	-	-	(24,395)	(24,395)
At 31 March 2023	1,282,644	36,216	71,371	15,834	1,406,065
Net book value:					
At 31 March 2023	1,548,527	24,587	72,838	2,586	1,648,538
At 1 April 2022	1,604,750	2,080	64,547	3,736	1,675,113

Land with a value of £20,000 (2022: £20,000) is included in Freehold land and buildings and is not depreciated. All the above assets are used for Charitable purposes.

13. Investments

	Fixed Interest £	Listed equities at market value £	Unlisted Subsidiary (note 14) £	Charity total £
Fair value at 1 April 2022	300,000	3,049,890	1	3,349,891
Additions	200,000	724,010	-	924,010
Disposals	(485,000)	(335,225)	(1)	(820,226)
Revaluation during the year	-	(204,064)	-	(204,064)
Fair value at 31 March 2023	15,000	3,234,611	-	3,249,611
Cash held in investments				27,048
Net book value at 31 March 2023				3,276,659
Fair value at 31 March 2022	300,000	3,049,890	1	3,349,891
Cash held in investments				87,886
Net book value at 31 March 2022				3,437,777

The historical cost of Listed Equity Investments included above at market value is £3,111,770 (2022: £3,007,985).

14. Subsidiary undertaking

The Company owned the whole of the issued ordinary share capital of Katharine's Cupboard Limited. The company was non trading and was struck off the register of companies on 28 March 2023 and dissolved on 4 April 2023. Katharine's Cupboard Limited was registered in England with company number 06297831. The registered office address was East End, Adderbury, Banbury, Oxford, OX17 3NL.

The aggregate of the assets, liabilities and reserves were as follows:

	2023 £	2022 £
Assets	-	23,506
Liabilities	-	(23,505)
Reserves	-	1

The amounts owed to the parent undertaking are shown in note 15.

15. Debtors

	2023 £	2022 £
Trade debtors	91,144	695,326
Other debtors	2,840	26,060
Prepayments & accrued income	176,604	174,870
Legacies receivable	20,000	-
VAT recoverable	7,185	10,410
Amount owed by group undertaking	-	1,508
	297,773	908,174

16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	399,735	79,903
Taxation and social security	16,415	16,784
Other creditors	13,961	7,580
Accruals	44,772	45,303
Deferred income (note 17)	107,835	101,950
	582,718	251,520

17. Deferred Income

	2023 £	2022 £
Balance at the beginning of the year	101,950	110,716
Amount released to income in the year	(29,993)	(19,129)
Amount deferred in the year	35,878	10,363
Balance at the end of the year	107,835	101,950

Lottery income received in advance is deferred to the date of the lottery draw. Raffle income is similarly deferred until the draw.

18 (a) Analysis of net assets between funds – current year

	General unrestricted £	Restricted funds £	Total funds £
Intangible assets	-		
Tangible assets	1,648,538	-	1,648,538
Investments	3,276,659	-	3,276,659
Net current assets	176,814	854,624	1,031,438
Net assets at 31 March 2023	5,102,011	854,624	5,956,635

18 (b) Analysis of net assets between funds - prior year

	General unrestricted £	Restricted funds £	Total funds £
Intangible assets	13	-	13
Tangible assets	1,675,113	-	1,675,113
Investments	3,437,776	-	3,437,776
Net current assets	641,522	853,068	1,494,590
Net assets at 31 March 2022	5,754,424	853,068	6,607,492

19 (a) Movement on funds – current year

	As at 1 April 2022 £	Income £	Expenditure & Losses £	Transfers and Gains £	As at 31 March 2023 £
Restricted funds:					
Hospice staffing	-	5,100	(5,100)	-	-
Hospice Companion	14,011	-	-	-	14,011
Patient Welfare	-	3,375	-	-	3,375
Chapel	622	4,000	(442)	-	4,180
Equipment	11,714	500	(7,579)	-	4,635
Projects	45,984	14,000	(13,487)	-	46,497
Grounds and Gardens	2,241	-	(1,150)	-	1,091
Fundraising	-	15,900	(15,900)	-	-
EPIc Information Hub	-	3,400	(3,400)	-	-
EDI	-	20,000	(17,661)	-	2,339
Ouh Capital	778,496	-	-	-	778,496
Total restricted funds	853,068	66,275	(64,719)	-	854,624
Unrestricted funds:					
General funds	5,754,424	2,698,256	(3,158,222)	(192,447)	5,102,011
Total funds	6,607,492	2,764,531	(3,222,941)	(192,447)	5,956,635

19 (b) Movement on funds – prior year

	As at 1 April 2021 £	Income £	Expenditure & Losses £	Transfers and Gains £	As at 31 March 2022 £
Restricted funds:					
Hospice Companion	14,011	-	-	-	14,011
Patient Welfare	-	1,125	(1,125)	-	-
Chapel	622	-	-	-	622
Equipment	15,069	-	(3,355)	-	11,714
Projects	58,679	-	(12,695)	-	45,984
Grounds and Gardens	2,494	-	(253)	-	2,241
OUH Capital	535,000	250,000	(6,504)	-	778,496
Total restricted funds	625,875	251,125	(23,932)	-	853,068
Unrestricted funds:					
General funds	5,389,833	2,776,957	(2,598,170)	185,804	5,754,424
Total funds	6,015,708	3,028,082	(2,622,102)	185,804	6,607,492

Fund Descriptions and policy

The full reserves policy is provided in the Trustees' report. Overall, the Charity needs to retain £3.4m of free reserves to satisfy the full on-going reserves requirement. This will enable Katharine House Hospice Trust to manage short term losses of statutory or fundraising income and provide sufficient time to plan any changes required to future service delivery.

Restricted Funds:

Hospice Staffing Fund – This fund represents donations received with the specific request that they be used to defray the cost of Hospice staffing.

Hospice Companion Fund – This fund represents donations received with the specific request that they be used to defray the cost of the Hospice companion service.

Patient Welfare Fund – This fund represents donations received with the specific request that they be used to defray the cost of projects that enhance patient wellbeing and welfare. This includes Art Room supplies, massage and therapy supplies, musical instruments, games, and stories for life.

Chapel Fund – This fund represents donations received with the specific request that they be used to defray the cost of running of our chapel.

Equipment Fund – This fund represents donations received with the specific request that they be used to purchase new equipment.

Projects – This fund represents donations received with the specific request that they be used for projects.

Grounds & Gardens Fund - This fund represents donations received with the specific request that they be used to defray the cost of the upkeep of our grounds and gardens, which help create an atmosphere of peace and tranquillity at the Hospice for all those who come to us.

Fundraising Fund - This fund represents donations received with the specific request that they be used to defray the cost of running fundraising events.

EPiC Information Hub Fund - This fund represents donations received with the specific request that they be used to defray the cost of creating the End-of-life and Palliative Care (EPiC) Resource Centre online.

EDI Fund - This fund represents donations received with the specific request that they be used to defray the cost of managing the project *“Inclusion Matters”: Creating a culture of equality, diversity and inclusion at Katharine House Hospice and Sobell House.*

Oxford University Hospital Fund – This fund represents income received from Oxford University Hospitals NHS Foundation Trust to cover future capital works and transition expenses.

Unrestricted Funds:

General Fund - This fund recognises the need to protect Hospice services in the light of the challenges faced by all within the hospice sector of maintaining and building both statutory and fundraising income, and the high level of costs incurred. This fund will continue to be treated as unrestricted funding, in line with the wider Charity sector.

20. Operating lease commitments payable as a lessee

The Charity’s total future minimum lease payments under non-cancellable operating leases was as follows:

	2023	2022
	£	£
Less than one year	116,620	110,813
One to five years	316,467	249,108
Over five years	-	16,114
	<u>433,087</u>	<u>376,035</u>

21. Commitments including grant commitments

As at 31 March 2023, the Charity had no capital commitments (2022: £nil).

On 31 March 2021 Katharine House Hospice Trust (KHH) entered into an agreement with Oxford University Hospitals NHS Trust (OUH), to transfer the provision of hospice and palliative care services currently provided by KHH to OUH. KHH agreed to fund OUH £1.4m each year for two years until 31 March 2023, funded from ongoing fundraising activities and reserves. This agreement is rolling over for one year to 31 March 2024 under the same terms.

22. Contingent liabilities

As at 31 March 2023 the Charity had no contingent liabilities (2022: £nil).

23. Related party transactions

As at 31 March 2023 the sum of £nil was owed by Katharine’s Cupboard Limited to The Katharine House Hospice Trust (2022: £1,509). Katharine’s Cupboard Ltd, did not trade during the year, and was wound up prior to the year end.

24. Taxation

The Charity is exempt from corporation tax as all its income is Charitable and applied for Charitable purposes.

Katharine House Hospice
Aynho Road, Adderbury, Banbury OX17 3NL

Reg. Charity No 297099

www.khh.org.uk

KATHARINE HOUSE HOSPICE TRUST

England & Wales - Charity number 297099

Accounts

Annual report and financial statements

For the year ended 31 March 2022

The Katharine House Hospice Trust
(Company limited by guarantee)
Company No. 02133391
Registered Charity No. 297099



**KATHARINE
HOUSE
HOSPICE**

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Reference and Administrative Details:

Registered name	The Katharine House Hospice Trust	
Status	The organisation is a Charitable Company limited by guarantee, incorporated on 20 May 1987 and registered as a Charity on 26 June 1987.	
	The Katharine House Hospice Trust is a Company limited by guarantee, having no share capital, with all Trustees being members of the Company. The liability of the members is limited to £1 in the event of the winding up of the Company.	
Governing document	The Company was established under Memorandum and Articles of Association which established the objects and powers of the Charitable Company.	
Company number	02133391	
Charity number	297099	
Registered office	Aynho Road, Adderbury, Banbury OX17 3NL	
Trustees	Ms Lindsey Bowser Ms Geraldine Burke Sir Tim Jenner (chair) Mr Richard Jones Dr Christina Lloyd Ms Carol Shaw (resigned 12 June 2021) Ms Catherine Teideman Ms Vicki Reay (resigned 15 July 2022) Ms Holly Spiers (resigned 17 August 2022) Mr Robert Cooke Mr Samuel Shadbolt (appointed 27 January 2022)	
Senior Leadership Team	Trevor Johnson Chief Executive (from 10 May 2021) Angharad Orchard Chief Executive (to 10 May 2021) Stephanie Lawless Head of Fundraising (from 15 November 2021) Justine Williams Director of Fundraising and Communications (to 18 August 2021) Jeremy Childerstone Head of Finance (from 23 August 2021) Chris Keeping Head of Finance (to 9 September 2021) Karen Welsh Head of Marketing and Communication (from 1 Sep 2021) Scott Bloomfield Head of Retail	

Advisors:

Principal Bankers	Yorkshire Bank 7 Gold Street Northampton NN1 1EN
	HSBC 17 Market Place Banbury OX16 5ED
	NatWest 1 Town Hall Buildings Bridge Street Banbury OX16 5JS
Investment Managers	Investec Investment Wealth Limited 30 Gresham Street London EC2V 7QN
	CCLA Investment Management Ltd One Angel Lane London EC4R 3AB
	Quilter Cheviot Two Snowhill Birmingham B4 6GA
Solicitors	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES
Auditors	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP

The Trustees present their annual report together with the audited financial statements for the year ended 31 March 2022. The format and content of the report and the financial statements comply with current statutory requirements, the Charity's Memorandum and Articles of Association and the Charities Statement of Recommended Practice (FRS 102 second edition – October 2019) 'Accounting and Reporting by Charities'.

Following on from the exceptional work in 2020/21 to set in place the collaborative arrangement with Oxford University Hospitals NHS Foundation Trust (OUH), 2021/22 has been a period of significant change for the Charity. We have transitioned to a new team working in a very different way. It has been gratifying that the clinical activities, now provided by OUH with funding from ourselves, have continued to the same high standard. The acid test - that any visitor to the Hospice, or user of our wider services would not notice any change - has been emphatically passed, for that, the Board of Trustees wish to again record their heartfelt thanks for the unstinting work that all involved have provided.

Much of the year has seen new teams settling in and establishing a firm focus on our two primary aims – to generate increased income and to act as a clear advocate in the provision and development of clinical services. The Board of Trustees has been substantially refreshed, while the Senior Leadership Team has 80% new members. We are already seeing significant increases in fundraising and retail income, and have established a healthy high level relationship with OUH to oversee delivery of clinical services – progress that is testament to the dedication and effectiveness of all involved.

Challenges have not disappeared. Covid continues to have an impact on our people and on income, but it is good to note that clinical work has not been significantly affected. The wider environment surrounding Care Services remains less than clear. The introduction of Integrated Care is welcome, but we have yet to see its impact on End of Life and Palliative Care. The wider Social Care landscape is equally opaque and we will continue to do all we can to influence change for the benefit of our community. Finally, the global economic impact of war in Ukraine has had an impact in the final part of the year with cost of living growth impacting on fundraising.

The Board of Trustees is constantly monitoring change and risk but remains optimistic that the Charity is firmly set on a path to financial sustainability within two years, and possesses sufficient reserves to bridge the decreasing funding gap in the interim. At the same time, we believe there are opportunities for material enhancements to the clinical services we fund, and we will continue to work towards their implementation.

1. Structure, governance, and management

Governing document and structure

The Company was registered in May 1987 (No. 02133391) with the governing instrument being its Memorandum and Articles of Association. The Articles state that the Board of Trustees shall have full discretion as to the admission of any person to membership of the association.

The Katharine House Hospice Trust is a company limited by guarantee, having no share capital, with all Trustees being Members of the company. The liability of the Members is limited to £1 in the event of the winding up of the company.

The Trustee Board

The Board of Trustees meets quarterly to ensure effective governance of the Charity. The Chief Executive is appointed by the Board and has delegated responsibility for the day-to-day management of the Charity with the support of the Senior Leadership Team.

The Board of Trustees is fully committed to the financial stewardship, quality, and safety of the Charity.

The Trustees are guided by an agreed scheme of corporate governance which sets out their responsibilities and those of the executive management team. Potential conflicts of interest are addressed in a Conflict of Interests Policy and a register of Trustees' interests is maintained. Potential conflicts of interest are addressed at every meeting of the Trustees.

A Trustees' skills matrix is used to determine the skills requirements when vacancies occur. A search is then undertaken, applicants are interviewed, and a vote of members is taken to decide upon appointment.

New Trustees undertake an induction programme designed to ensure their understanding of the Trustee role and their knowledge of the hospice and wider hospice sector. As well as a review of core documents the induction provides opportunities to meet with staff and volunteers across the hospice, and to observe or shadow parts of our service delivery.

No Trustee received any remuneration during the year nor any reimbursement of expenses (see note 9) to the financial statements.

Sub-committees

The Board is advised by a range of sub-committees. From 1 April 2021 the sub-committees are:

- Finance Audit and Risk
- Income Generation
- General Management

Organisation structure and key management personnel

Trustees are responsible for the strategic direction of the organisation. Day to day management is delegated to the Senior Leadership Team. The pay of the Leadership Team is set by Trustees in line with the pay policy of the Charity, which is in line with market rates for similar roles in the charity sector.

2. Objectives, values, and public benefit statement

Objectives

We collaborate with Oxford University Hospitals NHS Foundation Trust (OUH) and other agencies to fund the provision of specialist palliative care for adults with life-limiting conditions across North Oxfordshire, South Northamptonshire, and South Warwickshire.

Whilst we fund care for people at end of life, we also fund care for the support of symptom management and pain relief throughout a person's illness. Care is not just about managing the physical symptoms of disease; we know that people need emotional and spiritual support, and the team works to support people in these areas as well as helping them to access the practical support they need.

Care is offered throughout the local community. Whilst many patients come into the Hospice, care is provided for many more in their own homes, care homes or in hospital.

Our vision and strategic values

Our vision is to ensure that every day is the best day possible for patients and families affected by incurable illness in our local community.

Our strategic values are:

1. Trust – To be trusted as a partner and as an advocate by those we work with, our community and supporters. To be trusted as we fundraise for the provision of advice and practical support on specialist palliative care across our catchment area.

We will:

- Be the voice of our community by advising and leading on the development of services which benefit those who need palliative care as well as their families.
- Demonstrate the benefits of the service provided by OUH & funded by KHH in clear numbers to the community and supporters, to show how donors' money has been spent responsibly.
- Be a trusted employer that champions staff wellbeing and development.

2. Community – To be the key community representative in palliative care. To be the charity of choice for our community.

We will:

- Be visible and reach all people in our community.
- Provide support on how to better access services, at all stages of illness, demonstrating the community benefits KHH brings across our catchment area.
- Enable our volunteers to fully understand the impact of their work and to expand our range of volunteering opportunities.
- Provide resources online and signpost to other organisations that can support our families.

3. Innovative – To utilise all resources, ensuring that we respond to fundraising opportunities and patient need in the most impactful and innovative ways possible.

We will:

- Develop new partnerships with supporters and use their technology to enable us to reach more people.
- Re-evaluate our practices and processes regularly to ensure we communicate with our supporters in a way that suits them.
- Be innovative and respond to the ongoing impact of the pandemic with new fundraising initiatives and ideas.

4. Accountable – To ensure that we communicate to our supporters the importance and the impact of their donations.

We will:

- Ensure our supporters understand how much our services cost and how their fundraising impacts our beneficiaries.
- Be vocal and clear on the benefits of the care that is provided.

5. Making Every Moment Matter – To enable our patients and families to make the most of life, by funding services that support them. To communicate how to live with a palliative diagnosis and how we can support that.

We will:

- Tell our patients' stories sensitively and in a way that allows others to feel that they can and should engage with the service at an earlier stage of diagnosis.
- Advocate for quality palliative care and service improvements in the hospice sector.
- Help people make the most of the time they have left and create memories with loved ones.

Public benefit statement

The Trustees have referred to the Charities Act 2011 for guidance on public benefit when reviewing the aims and objectives of Katharine House Hospice and in planning its future activities and the OUH partnership, and consequently are able to confirm their belief that the Hospice's activities are of public benefit and will continue to be in the future. Our activities and achievements in furtherance of the public benefit are set out below.

3. Grant Making and the provision of care and services provided by the hospice

Katharine House Hospice provides a grant to Oxford University Hospitals NHS Foundation Trust (OUH) to specifically fund the services below. The quality and provision of these services is monitored by Katharine House Hospice Trust against a set of performance criteria:

At the centre of the hospice philosophy is our belief in caring for the whole person, addressing the physical, psychological, social, and spiritual needs of our patients in equal balance to ensure they and their family are best supported. It recognises people as individuals and the multi-disciplinary team of specialist palliative care nurses, doctors and other professionals, work in collaboration with other health providers and volunteers to ensure the delivery of the right care for each patient and to support them in ways which reduce their symptoms, enhance quality of life, and help them to live as fully as possible with their illness.

Inpatient services

The inpatient ward at our hospice in Adderbury provides round the clock specialist care for people in a welcoming and safe environment and patients may be admitted for symptom control as well as end of life care.

Community services

Hospice community services enhance the care already available in the community meaning not everyone needs to visit the Hospice itself. Clinical Nurse Specialists are registered nurses who have specialised in palliative care. They give specialist advice and support to help manage patient's symptoms as well as helping them and their family to meet their social, emotional, and spiritual needs.

Hospital services

We fund the support of patients with incurable illnesses who have been admitted to other OUH facilities. The hospice team of two specialist doctors and a Clinical Nurse Specialist work alongside hospital teams in an advisory capacity.

Living Well services

The aim of Living Well is to enhance the wellbeing of people affected by life-limiting illness. Wellbeing means different things to different people and so our aim is to offer a programme of varied support and activities within which we hope everyone will find something right for them.

The service is run by a multi-professional team including a nurse, health care assistant, chaplain, social worker, physiotherapist, lymphoedema specialist nurse and bereavement lead and is supported by a team of volunteers. Due to Covid many of these services have been suspended for part of the year.

Volunteers & Social investments

Our staff and volunteers are our most important asset. Without the skills, expertise, and dedication of our volunteers we wouldn't be able to provide the care we do to patients and families throughout the year.

Our 269 regular volunteers make a huge contribution to our work. Working 62,140 hours in total, the work of our volunteers equates to approximately 32 full time staff. Were we to have to pay for the amazing work that they undertake then this would cost the charity approximately £1,029,000.

During 2022, we have seen significant growth in our supporter engagement as a result of running events that bring our community together and place the Hospice at the heart of our community.

Social investment is about investing in people. During the year we have invested in restructuring our team to bring new skills into the Charity. We also provide ongoing skills training - for example EPOS (Electronic Point of Sale) training for all of our retail staff. We have implemented a completely new staff mentoring and supportive management processes. In addition, we have established lone working and mental health support for our staff team.

4. Group Strategic Report

Activities, achievements, and performance. How did we do?

The charity continued to be impacted by COVID, both in its ability to fundraise and in a downturn in public engagement and willingness to take part in fundraising. As late as December, we were affected by a significant slowdown in relation to the Omicron wave. However, we still ran a successful Not the Midnight Walk in July, a Santa Fun Run, and were supported by RC Baker with a very successful Tractor Run in December. All of this activity helped the last quarter to show the start of a recovery in fundraising.

Fundraising and retail performance since the end of lockdown have exceeded our expectations.

During 2022 the charity has restructured the team to be fit to deliver the core fundraising activities. This long-term planning should generate success in subsequent years.

Fundraising disclosures under section 13 of the Charities Act 2016.

The fundraising approach taken by the charity in the year was to focus on recovery by maximising existing sources of revenue. At year end we were in the advanced stages of planning to obtain an enhanced licence from the Gambling Commission which will enable us to increase the scale of our lottery and raffles. During this work we realised that, due to administrative oversight, we had slightly exceeded the terms of our local authority licence. This has now been resolved.

In retail, we opened an e-commerce hub to ensure full advantage taken of this route. We have also installed Electronic Point of Sale equipment at all of our retail sites to enable growth. At the year-end we had established clear plans to refurbish our flagship unit in Banbury.

The Charity is a member of the Fundraising Regulator, The Charity Retail Association and The Institute of Fundraising.

Under the provisions of Section 13 of the Charities (Protection and Social Investment) Act 2016, Katharine House Hospice does not employ external fundraising agencies.

Katharine House Hospice works within the Fundraising code to ensure that vulnerable people are protected within all fundraising activities.

How did we do

During the course of the year the funding provided by Katharine House Hospice Trust enabled the care of the following numbers of patients and families.

All patients seen	815
IPU	172
CNS team	453
Living Well	60
Lymphoedema	112
Bereavement support patients	130

Financial review & significant events:

Katharine House Hospice has a three-year plan to achieve levels of income to sustainably support our aims and objectives. During the transition period any shortfall will be met from reserves and by transitional support from OUH.

As part of the transition process at year end, we received £650,000 of financial support grants from OUH. OUH also waived the Q4 grant payment from us for the provision of clinical services. These payments were primarily made because of uncertainties surrounding commissioning arrangements in 22/23 following the introduction of Integrated Care Boards and are not expected to be repeated.

Before revaluation of investments, the financial year ended with a surplus of £179k in unrestricted funds (2021, deficit £183k) and a gain of £227k in restricted funds (2021, gain £471k). After revaluation of investments, the net surplus for the year is £592k (2021, surplus £599k).

From 1 April 2022 our statutory funding has ceased as care is provided under the grant arrangements previously described. In addition, income from other sources has been materially affected by the exit from lockdown (as shown in the following table).

	Note	2022 £	2021 £	+/-%
Donations & legacies	2	1,104,537	999,480	10.5%
Charitable activities (including statutory funding)	3	694,362	2,972,773	-76.6%
Other trading	4a	1,158,368	777,727	48.9%
Investments	5	70,815	81,328	-12.9%
Business interruption claims	4b	-	88,951	n/a
		<u>3,028,082</u>	<u>4,920,259</u>	<u>-38.5%</u>

Staff costs remain our key expenditure but have fallen dramatically due to the TUPE transfer of clinical staff to OUH. These costs now represent 34.0% of our annual expenditure.

All current staff are offered a group personal pension scheme administered by Aviva.

Investment Policy and Performance

In accordance with the Memorandum and Articles of Association, the Trustees have the authority to invest in such stocks, shares, investments, and property as they see fit. An agreed Investment Policy describes the Trustees' investment aspirations which include:

- Providing income
- Providing enhanced value where possible
- Avoiding undue risk by investing diversely and monitoring investments carefully
- Avoiding investment in tobacco related industries

The combined performance of our Investment Fund Managers showed a net capital gain (realised and unrealised) of £186k for the year (2021: gain £428k). Investment income for the year fell by £11k.

Key risks

The Charity has a risk management system to identify key risks that could affect the achievement of our objectives. These are considered by each sub-committee and by the Board and mitigation measures are identified, put into effect, and monitored. The methodology within the risk register has been revised to ensure key risks are quickly brought to the attention of the sub-committees and Board.

The trustees consider the key risk for the future to be the geopolitical and economic situation commonly referred to as "the cost-of-living crisis." In common with the wider charity sector, this is already having an adverse impact on our fundraising activities and investments. These downward pressures are expected to continue until at least 31st March 2023. The situation is closely monitored by the Trustees.

Future plans

The Charity is an organisation that exists to provide support to the regional healthcare providers of palliative care. Our objectives are:

- to ensure that we will be the leading voice and advocate for those who need end of life care in our community and to be a strong voice nationally
- to continue to be the first choice for volunteering in our area
- to help to demonstrate the positivity that quality end of life care can bring to families as they create lasting memories
- to ensure that we can direct and support new service development and improvements for our supporters and service users.

The restructure and establishment of clear direction in fundraising is key to funding the achievement of these objectives. In parallel, we are developing a more outward facing team and culture within the charity and updating our supporter communication material and channels.

5. Reserves policy

The Charity has developed a Reserves Policy that includes a realistic assessment of the impact of a sudden and dramatic reduction in income, and Trustees judge that the Charity needs to retain £2.3m of free reserves to satisfy this requirement falling to £2.0m after investment of £300k in fundraising activity.

As at 31 March 2022 the level of free reserves held was £4.079m (2021: 3.699m). A detailed breakdown of reserves by category is shown in notes 18 & 19.

Our three-year plan to achieve financial sustainability is on track but there will continue to be a deficit for the immediate future. In addition, the general uncertainty over the state of the national economy, and its impact on

fundraising activities mean that shortfalls will have to be met from reserves. When the Trustees consider the Hospice to be financially self-sufficient a further review of the level of reserves will be undertaken.

6. Statement of accounting and reporting responsibilities

The Trustees are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

Company and Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the group and of the group's incoming resources and application of resources, including the group's income and expenditure for that year. In preparing those financial statements, the Trustees are required to:

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

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

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

7. Statement of disclosure of information to auditors

We confirm that, in so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors & Trustees report (including Strategic report) is approved on behalf of the Trustees by:



Sir Tim Jenner
Chair of Trustees

15 OCTOBER 2022

Date:

**Independent Auditor's report to the members of
The Katharine House Hospice Trust for the year ended 31 March 2022**

Opinion

We have audited the financial statements of The Katharine House Hospice Trust for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director's 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 Katharine House Hospice Trust's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the Directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and the strategic report included within the Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate and proper 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 the Trustees

As explained more fully in the Trustees' responsibilities statement [set out on page 10], the Trustees (who are also the Directors of the group and parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

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 group and parent charitable company through discussions with Directors/Trustees, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company,
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- 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 assessed the susceptibility of the group's and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and

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 meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

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.

Use of our report

This report is made solely to the group's and parent charitable company's members, as a body, in accordance with in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has

The Katharine House Hospice Trust
Annual Report and Financial Statements for the year ended 31 March 2022

been undertaken so that we might state to the group's and parent charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and parent charitable company, and the group's and parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland, Senior Statutory Auditor
for and on behalf of Critchleys Audit LLP
Statutory Auditors
Beaver House
23 – 38 Hythe Bridge Street
Oxford
OX1 2EP

18 October 2022

The Katharine House Hospice Trust
Annual Report and Financial Statements for the year ended 31 March 2022
Consolidated Statement of Financial Activities
(Including Consolidated Income and Expenditure account)

		Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	2	1,103,412	1,125	1,104,537	971,095	28,385	999,480
Charitable activities	3	444,362	250,000	694,362	2,388,702	584,071	2,972,773
Other trading activities	4a	1,158,368	-	1,158,368	777,727	-	777,727
Investments	5	70,815	-	70,815	81,328	-	81,328
Other	4b	-	-	-	88,951	-	88,951
Total income		2,776,957	251,125	3,028,082	4,307,803	612,456	4,920,259
Expenditure on:							
Raising funds	6	(1,507,297)	(3,608)	(1,510,905)	(1,030,011)	-	(1,030,011)
Charitable activities	6&7	(1,090,873)	(20,324)	(1,111,197)	(3,460,755)	(141,461)	(3,602,216)
Total expenditure	6	(2,598,170)	(23,932)	(2,622,102)	(4,490,766)	(141,461)	(4,632,227)
Net income/ (expenditure) before revaluation		178,787	227,193	405,980	(182,963)	470,995	288,032
Net gain/(loss) on investments		185,804	-	185,804	427,890	-	427,890
Loss on transfer of assets to OUH		-	-	-	(78,369)	(38,632)	(117,001)
Net income / (expenditure) for the year		364,591	227,193	591,784	166,558	432,363	598,921
Transfers between funds		-	-	-	-	-	-
Net movement of funds for the year		364,591	227,193	591,784	166,558	432,363	598,921
Reconciliation of funds:							
Balances brought forward 31 March	18	5,389,833	625,875	6,015,708	5,223,275	193,512	5,416,787
Balances carried forward 31 March	18	5,754,424	853,068	6,607,492	5,389,833	625,875	6,015,708

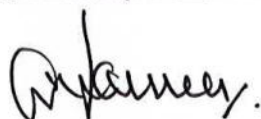
The notes on pages 17 to 31 form part of these financial statements.

The Katharine House Hospice Trust
 Annual Report and Financial Statements for the year ended 31 March 2022
 Group and Charity Balance Sheet

	Note	The Group		The Company	
		2022	2021	2022	2021
		£	£	£	£
Fixed assets:					
Intangible assets	11	13	4,501	13	4,501
Tangible assets	12	1,675,113	1,685,988	1,675,113	1,685,988
Investments	13	3,437,776	3,247,803	3,437,777	3,247,804
		5,112,902	4,938,292	5,112,903	4,938,293
Current assets:					
Stock – goods for resale		1,704	-	1,704	-
Debtors	15	906,666	1,030,601	908,174	1,032,109
Cash at bank and in hand		837,740	526,650	836,231	525,141
		1,746,110	1,557,251	1,746,109	1,557,250
Liabilities:					
Creditors: amounts falling due within one year	16	(251,520)	(479,835)	(251,520)	(479,835)
		1,494,590	1,077,416	1,494,589	1,077,415
Net current assets					
		1,494,590	1,077,416	1,494,589	1,077,415
Total net assets					
	18	6,607,492	6,015,708	6,607,492	6,015,708
Funds:					
Restricted income funds	19	853,068	625,875	853,068	625,875
Unrestricted funds	19	5,754,424	5,389,833	5,754,424	5,389,833
		6,607,492	6,015,708	6,607,492	6,015,708

The notes on pages 17 to 31 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Trustees on 15 October 2022 and were signed on its behalf by:



Sir Tim Jenner

15 Oct 22

Chair of Trustees

Company Registration Number: 02133391

The Katharine House Hospice Trust
Annual Report and Financial Statements for the year ended 31 March 2022
Consolidated Statement of Cash Flows

	Note	2022	2021
		£	£
Cash flows from operating activities			
Net income / (expenditure) for the reporting period (as per the Statement of Financial Activities)		405,980	288,032
Amortisation of intangible assets	8	4,488	1,532
Depreciation of fixed assets	8	68,258	113,521
Dividends, interest, and rent from investments	5	(70,815)	(81,328)
(Profit)/loss on the disposal of fixed assets	8	-	117,085
(Profit)/loss on the disposal of fixed assets to OUH		-	(117,001)
(Increase)/decrease in stock		(1,704)	-
Decrease/(increase) in debtors		123,935	(287,854)
(Decrease)/increase in creditors		(228,315)	(297,788)
Net cash from/ (used in) operating activities		301,827	(263,801)
Cash flows from investing activities:			
Interest received	5	7,113	26,070
Dividends received	5	63,702	55,258
Purchase of intangible fixed assets		-	-
Proceeds from sale of tangible fixed assets		-	3,166
Purchase of tangible fixed assets		(57,383)	(24,887)
Proceeds from sale of investments		1,027,716	1,723,075
Purchase of investments		(2,863,402)	(580,979)
Net cash provided by / (used in) investing activities		(1,822,254)	1,201,703
Change in cash and cash equivalents in the year		(1,520,427)	937,902
Cash and cash equivalents at the beginning of the year		2,446,053	1,508,151
Cash and cash equivalents at the end of the year		925,626	2,446,053
Cash and cash equivalents are held as follows:			
Cash at bank and in hand		837,740	526,650
Cash held in investments	13	87,886	1,919,403
Cash and cash equivalents at the end of the year		925,626	2,446,053

Notes to the financial statements for the year ended 31 March 2022

Statutory information

The Katherine House Hospice Trust Ltd is a private company limited by guarantee, registered in England and Wales, registration no 2133391. The registered office is Aynho Road, Adderbury, Banbury OX17 3NL.

Compliance with accounting standards

The format and content of the financial statements have been prepared in accordance with the Charities SORP (FRS 102), the Charities Act 2011, the Companies Act 2006 and FRS 102.

Public Benefit Entity

The Charity is a public benefit entity.

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below and have remained unchanged from the previous period.

(a) Going Concern, Basis of Preparation, and Presentation currency

The financial statements have been prepared on a going concern basis under the historical cost convention, modified by the inclusion of fixed asset investments at their market value.

At the time of approving the accounts, the Trustees have a reasonable expectation that Katharine House Hospice has adequate resources to continue in operational existence for the foreseeable future. The Trustees consider there are no material uncertainties about the Charity's ability to continue and adopt the going concern basis of accounting in preparing the accounts.

The financial statements are prepared in £ sterling, rounded to the nearest £, which is the functional currency of the Company.

(b) Basis of preparation of group financial statements

These accounts are consolidated accounts. The group financial statements consolidate the financial statements of the Charitable Company and of its subsidiary undertaking, Katharine's Cupboard Limited, made up to 31 March 2022. The Charity has adapted the Companies Act format of the financial statements to reflect the special nature of the Charity's activities. No separate Statement of Financial Activities has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006 and the Charities SoRP (FRS 102).

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income, the amount can be quantified with reasonable accuracy, and it is probable that the income will be received. The following specific policies are applied to categories of income:

Donations are accounted for as received by the Charity.

Gifts in kind: Estimating the fair value of donated goods for resale is impractical because of the volume of low-value items received. Therefore, donated goods for resale are not recognised on receipt. Instead, the value to the Charity of the donated goods sold is recognised as income when sold. Other gifts in kind, including donated facilities and services, are recognised in income at their fair value.

Legacies are recognised at the earliest of either the Charity being notified of an impending distribution or when they are received and when they are quantifiable.

Shop income is recognised on a cash receipt basis.

Lottery income is recognised when allocated to the current week's draw. Lottery funds received and not drawn before the balance sheet date are recorded as deferred income and included within creditors in the balance sheet. Raffle income is also recognised when the raffle is drawn.

The income from fund raising ventures is shown gross, with the associated costs included within fund raising costs.

Investment income is included when receivable. Realised and unrealised gains and losses are dealt with in the Statement of Financial Activities.

Grant income, including government grants, is recognised when receivable and conditions for receipt have been complied with. The Charity considers that where a term or condition simply restricts the use of a grant, this does not affect a Charity's entitlement to the gift and recognition of income.

No amount is included in the financial statements for volunteer time in line with the SoRP(FRS 102).

(d) Expenditure Recognition

All expenditure is accounted for on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as irrecoverable VAT in the appropriate expense category. Expenditure is categorised under the following headings:

Expenditure on Charitable Activities comprises those costs incurred by the Charity in the delivery of specialist palliative care and associated services for patients with a terminal illness.

Costs of Raising Funds comprise costs incurred in encouraging people and organisations to contribute financially to the Charity's work. This includes the cost of advertising for donations, the running of the lottery including prize money, costs associated with the running of the shops, and the staging of special fundraising events, and investment managers' costs.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly to that activity, with remaining support costs (which include office costs, governance costs and administrative payroll costs) being allocated to a particular activity on an appropriate basis as set out in notes 6 and 7.

(e) Fixed Asset Investments

Fixed interest investments are held to maturity for the purposes of income generation and not capital appreciation; the Trustees consider it appropriate to show these at cost less amortisation of premium paid.

Listed Equities are stated at market value as at the balance sheet date. Realised and unrealised gains and losses on investments during the year are dealt with in the Statement of Financial Activities.

Cash held in investments is included in investments rather than cash at bank and in hand.

Net gain/ loss on investments includes both realised and unrealised gains/ losses on the revaluation/ sale of investments.

(f) Current Asset Investments

Investments held for resale are included in current assets.

(g) Intangible Assets

Intangible assets are amortised on a straight-line basis over their useful lives as follows:

Computer software	20%
-------------------	-----

In the Statement of Financial Activities the amortisation charge is allocated between expenditure on raising funds and Charitable activities.

(h) Tangible Fixed Assets

Tangible fixed assets are included in the financial statements at historical cost, less accumulated depreciation. Depreciation of tangible fixed assets is provided on a straight-line basis, calculated at annual rates estimated to write off each asset over the term of its useful life. During the year the Trustee's considered it appropriate that some new items of IT equipment should be depreciated over 3 years. The depreciation rates applicable are:

Freehold land	nil
Freehold buildings	2%
Leasehold property	period of the lease
Motor vehicles, medical, office & catering & computer equipment	10%, 20% and 33 1/3%
Assets under construction	nil

(i) Stock

Any stocks of goods for resale are felt by the Trustees to be insignificant and are only carried at cost if purchased at the year end.

(j) Taxation

The Company is registered as a Charity and is not liable to corporation tax on its Charitable activities.

(k) Value Added Tax

The Company and its trading subsidiary have a group registration for VAT purposes. The Group is partially exempt for the purposes of VAT.

(l) Pension costs

Retirement benefits are provided to employees by way of various pension schemes as set out in note 10 to the financial statements. Contributions payable to these pension schemes are charged in the Statement of Financial Activities in the period to which they relate. Any differences between the contributions payable in the year and those actually paid are included within creditors in the Balance Sheet. FRS 102 requires fixed payments amounts to be included on the Balance Sheet.

(m) Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the term of the lease

(n) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, funding providers or which have been raised by the Company for a particular purpose. The costs of raising and administering such funds are charged against the specific fund.

(o) Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due.

(p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term, highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(q) Creditors and provisions

Creditors are recognised where the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(r) Financial Instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Income from donations & legacies

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Donations	731,728	1,125	732,853	880,512	28,385	908,897
Legacies	371,684	-	371,684	90,583	-	90,583
	<u>1,103,412</u>	<u>1,125</u>	<u>1,104,537</u>	<u>971,095</u>	<u>28,385</u>	<u>999,480</u>

3. Income from Charitable activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Statutory NHS funding	-	-	-	2,204,548	535,000	2,739,548
Fees & Grants	444,362	250,000	694,362	184,154	-	184,154
Gifts in Kind	-	-	-	-	49,071	49,071
	<u>444,362</u>	<u>250,000</u>	<u>694,362</u>	<u>2,388,702</u>	<u>584,071</u>	<u>2,972,773</u>

Katharine House Hospice provides a grant to Oxford University Hospitals NHS Foundation Trust (OUH) to specifically fund provision of services. As part of the transfer of service provision to OUH, Oxfordshire Clinical Commissioning Group (CCG) agreed to share the risk with Katharine House Hospice Trust that fundraising activity alone would not cover the costs of grant payments to OUH (the risk share). During the year ended 31st March 2022, £400,000 of unrestricted income was received from the CCG to cover its share of risk for the year ended 31st March 2022 and buy out its remaining risk share for the year ended 31st March 2023. This payment was primarily made because of uncertainties over NHS commissioning arrangements in 2022/23 following the introduction of Integrated Care Boards.

During the year ended 31st March 2022, as a part of the transfer to Oxford University Hospitals NHS Foundation Trust, £250,000 of restricted income was received to cover future capital works and transition expenses (2021: £535,000). In addition, as part of the risk share negotiations OUH waived the quarter 4 grant payment of £350,000 to allow Katharine House Hospice Trust to manage fundraising risk in 2022/23 and, if sufficient, to build up further the funds available for repairs and maintenance in future years.

During the year ended 31st March 2021, the Company received gifts in kind in the form of donated services for a Specialist Registrar. An amount of £49,071 has been shown as incoming and expended resource with a net nil effect on the results of the Company.

4a. Income from other trading activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Charity shop income	743,894	-	743,894	245,763	-	245,763
Lottery	173,868	-	173,868	194,964	-	194,964
Retail grant	24,751	-	24,751	80,960	-	80,960
Furlough grant	2,477	-	2,477	112,596	-	112,596
Other fundraising income	213,378	-	213,378	142,191	-	142,191
Other generated income	-	-	-	1,253	-	1,253
	<u>1,158,368</u>	<u>-</u>	<u>1,158,368</u>	<u>777,727</u>	<u>-</u>	<u>777,727</u>

4b. Other Income

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Insurance claims	-	-	-	88,951	-	88,951

In 2021 this represents loss of profits from retail trading during the first government lockdown.

5. Income from investments

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Dividends – Equities	63,702	-	63,702	55,258	-	55,258
Interest - Fixed Interest Securities	7,113	-	7,113	26,070	-	26,070
Interest – Deposits	-	-	-	-	-	-
	<u>70,815</u>	<u>-</u>	<u>70,815</u>	<u>81,328</u>	<u>-</u>	<u>81,328</u>

6. Total expenditure

	Basis of Allocation	-----Raising Funds-----					Charitable activities	2022 Total	2021 Total
		Charity shops	Charity lottery	Fund Raising	Investment income				
		£	£	£	£	£	£	£	
Costs directly allocated to Charitable activities									
OUH Grant payments*	Direct	-	-	-	-	1,050,000	1,050,000	-	
OUH capital works*	Direct	-	-	-	-	6,504	6,504	-	
Staff costs	Direct	274,747	-	361,771	-	-	636,518	2,904,709	
Rent & other shop costs	Direct	168,883	-	-	-	-	168,883	133,519	
Merchandise costs	Direct	25,023	-	-	-	-	25,023	2,255	
Staff training, recruitment & welfare	Direct	2,337	-	22,229	-	-	24,566	19,633	
Staff and patient travel	Direct	2,314	-	476	-	-	2,790	4,866	
Waste removal	Direct	15,938	-	-	-	-	15,938	21,187	
Lottery prizes & costs	Direct	-	85,064	-	-	-	85,064	88,578	
Other fundraising costs	Direct	-	-	114,512	-	-	114,512	63,488	
Irrecoverable VAT - in year (Recoverable)/ Irrecoverable VAT prior years	Direct	-	-	14,532	-	-	14,532	-	
Investment manager costs	Direct	-	-	-	9,099	-	9,099	15,216	
Repairs clinical equipment	Direct	-	-	-	-	-	-	18,765	
Patient welfare	Direct	-	-	-	-	-	-	6,513	
Medical consumables	Direct	-	-	-	-	-	-	122,511	
Other costs	Direct	-	-	-	-	-	-	9,754	
Depreciation	Direct	2,784	1,572	7,368	-	23,878	35,602	65,234	
		492,026	86,636	520,888	9,099	1,080,382	2,189,031	3,449,866	
Support costs allocated to other activities									
Catering costs	Floor	-	-	-	-	-	-	141,575	
Housekeeping costs	Floor	-	-	-	-	-	-	133,139	
Administration staff costs	income	120,707	-	150,339	-	-	271,046	449,172	
Admin & office expenses	income	2,329	-	2,900	-	-	5,229	9,808	
Admin & office expenses	income	16,948	-	21,114	-	-	38,062	127,548	
Utilities, services & insurance	income	13,170	-	16,403	-	-	29,573	94,920	
Repairs and maintenance	income	3,598	-	4,481	-	-	8,079	93,473	
Governance	income	11,310	-	14,086	-	-	25,396	99,622	
Irrecoverable VAT - in year	income	-	-	18,542	-	-	18,542	-	
Recoverable VAT prior years	income	-	-	-	-	-	-	(16,716)	
Depreciation	income	791	-	5,538	-	30,815	37,144	49,820	
Total expenditure 2022		660,879	86,636	754,291	9,099	1,111,197	2,622,102	4,632,227	
Total expenditure 2021		508,114	89,952	416,729	15,216	3,602,216	4,632,227	4,632,227	

Represented by:

	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£	£	£	£	£	£
Raising funds	1,507,297	3,608	1,510,905	1,030,011	-	1,030,011
Charitable activities	1,090,873	20,324	1,111,197	3,460,755	141,461	3,602,216
	2,598,170	23,932	2,622,102	4,490,766	141,461	4,632,227

*Oxford University Hospitals NHS Foundation Trust

7. Expenditure on Charitable activities

	Basis of Allocation (2021)	2022 Total £	2021 Total £
Costs directly allocated to Charitable Activities:			
OUH Grant payments	Direct	1,050,000	-
OUH capital works	Direct	6,504	-
Clinical Staff Costs	Direct	-	1,810,130
Clinical Staff Costs	Usage	-	579,242
Staff training, recruitment & welfare	Direct	-	19,633
Staff and patient travel	Direct	-	3,721
Waste removal	Direct	-	15,282
Repairs to clinical equipment	Direct	-	18,765
Patient welfare	Direct	-	6,513
Medical consumables	Direct	-	122,511
Other Charitable Activities costs	Direct	-	9,754
Irrecoverable VAT prior years	Direct	-	-
Depreciation	Direct	23,878	56,739
		1,080,382	2,642,290
Support costs allocated:			
Catering costs	Head	-	141,575
Housekeeping costs	Floor	-	123,819
Administration staff costs	Head	-	305,437
Administration and office expenses	Head	-	6,866
Administration and office expenses	w.t.e	-	86,800
Utilities, services, and insurance	Floor	-	87,327
Repairs and maintenance	Floor	-	85,995
Governance	Floor	-	91,652
Irrecoverable VAT - in year	Floor	-	-
Recoverable VAT prior years	Floor	-	(15,380)
Depreciation	Floor	30,815	45,835
Total expenditure		1,111,197	3,602,216
Charitable Expenditure by Service			
		2022	2021
		£	£
OUH Grant Payments (all Services)		1,050,000	-
OUH capital works (all services)		6,504	-
In Patient Unit		27,606	2,350,336
Living Well		19,383	175,609
CNS Home Care		3,082	688,943
Hospital Liaison		-	74,560
Lymphoedema		616	54,190
Bereavement Service		616	52,891
Welfare & Education		3,390	205,687
Total expenditure (all Services)		1,111,197	3,602,216

With effect from 1 April 2021, all the clinical services previously provided by Katharine House have been carried out by Oxford University Hospitals NHS Foundation Trust to the same high standards of care that were previously provided by Katharine House. Grants have been made to OUH totalling £1,050,000 for the purpose of providing

funding to facilitate the Trust in carrying out the services. As explained in note 3, OUH waived the quarter 4 grant payment.

8. Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022	2021
	£	£
Depreciation of fixed assets	68,258	113,521
Amortisation of intangible assets	4,488	1,532
(Profit) / loss on disposal of fixed assets	-	117,085
Operating lease rentals:		
Property	108,873	84,748
Other	2,059	-
Auditor's remuneration (excluding VAT):		
Audit	9,100	8,000
Other	-	-
	=====	=====

9. Staff costs and numbers

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	741,068	2,903,456
Redundancy and termination costs	33,075	-
Social security costs	59,221	255,578
Pension costs	57,939	327,575
	=====	=====
	891,303	3,486,609

Redundancy and termination payments are accounted for in the period in which the payments were made. During the current financial year such payments amounted to £33,075 included a £3,000 ex gratia payment (2021: £nil) and were charged to unrestricted funds.

Staff numbers

The average number of employees, and full time equivalent (FTE) employees, employed by the Charity during the year was:

	2022	2021	2022	2021
	FTE	FTE	No.	No.
Charitable activities	-	45	-	75
Support activities	6	18	8	28
Raising funds	22	21	29	36
	=====	=====	=====	=====
	28	84	37	139

The number of employees whose total employee benefits (excluding employer pension costs) exceeded £60,000, for the reporting period fell within each band of £10,000 as follows:

	2022	2021
	No.	No.
£60,000 - £69,999	1	2
£70,000 - £79,999	-	1
£80,000 - £89,999	-	2
	=====	=====

The key management personnel of the Trust comprise the Trustees, the Chief Executive Officer, and the Senior Leadership Team. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £289,884 (2021: £372,194).

The Charity Trustees were neither paid or received any other benefits from employment with the Trust or its subsidiary in the year (2021: £nil), neither were they reimbursed expenses during the year (2021: £nil). No Charity Trustee received payment for professional or other services supplied to the Charity (2021: £nil).

The role played by Volunteers is disclosed in the Trustees' report (page 6)

10. Pension costs

The Charity currently operates a single pension scheme for the benefit of all employees (2021: two schemes). The assets of the pension schemes are held separately from those of the Charity in independently administered funds.

Aviva Pension Scheme – Defined Contribution Scheme

The current scheme operated by the Company, is administered by Aviva and is a group personal pension scheme with defined contribution rules. The scheme was set up in 2008 with both a flexible contribution rate from the employer and an opportunity for employees to contribute via a salary sacrifice arrangement which the Trustees felt fairly reflected a modern pension scheme for its employees. Since May 2014, this scheme has been used as the Company's Auto Enrolment Scheme. Prior to 31 March 2021 this was also the default scheme for those who were not eligible to join the NHS scheme.

The Company's contributions to the scheme in the current year are based on a contribution rate of up to 13% of pensionable pay (2021: up to 13% of pensionable pay). There is also an option to make contributions to the scheme through a salary sacrifice – the company contribution rate with salary sacrifice is up to 21%, based on a 7% salary sacrifice (2021: up to 21%, based on a 7% salary sacrifice).

The pension costs for the year ended 31 March 2022, as included in the Statement of Financial Activities, amounted to £57,939 (2021: £164,888). The balance owing to the scheme as at 31 March 2022 is £7,580 (2021: £18,362).

NHS Pension Scheme - Defined Benefit Scheme

Prior to the implementation of the partnership with OUH that led to the transfer of Katharine House's clinical service to OUH, a number of the Company's employees were eligible to join the National Health Service pension scheme. The scheme is a defined benefit multi-employer pension scheme administered for the benefit of NHS employees, General Practices and other bodies allowed under the direction of the Secretary of State. The Company is unable to identify its share of the underlying notional assets and liabilities of the scheme with any certainty and accordingly has accounted for the scheme, as permitted by FRS102, as if it were a defined contribution scheme.

The pension costs for the year ended 31 March 2022 as included in the Statement of Financial Activities, amounted to £ nil (2021: £162,687). The Company's contributions to the scheme in the prior year were based on a contribution rate of 14.38% of pensionable pay with employees contributing between 5.6% and 13.5% of pensionable pay in accordance with NHS revised contribution rules.

The balance owing to the scheme as at 31 March 2022 is £ zero (2021: £24,204).

11. Fixed assets – Intangible (Group & Charity)

	Computer software £	Total £
Cost		
At 1 April 2021	7,661	7,661
Additions in year	-	-
Disposals in year	(7,390)	(7,390)
At 31 March 2022	<u>271</u>	<u>271</u>
Amortisation		
At 1 April 2021	3,160	3,160
Charge for the year	4,488	4,488
Eliminated on disposal	(7,390)	(7,390)
At 31 March 2022	<u>258</u>	<u>258</u>
Net book value		
At 31 March 2022	<u>13</u>	<u>13</u>
At 1 April 2021	<u>4,501</u>	<u>4,501</u>

All of the above assets are used for Charitable purposes.

12. Fixed assets – Tangible (Group & Charity)

	Freehold land and buildings £	Leasehold improvement £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2021	2,831,171	61,098	64,232	42,815	2,999,316
Additions in year	-	-	57,383	-	57,383
Disposals in year	-	(26,796)	-	-	(26,796)
At 31 March 2022	<u>2,831,171</u>	<u>34,302</u>	<u>121,615</u>	<u>42,815</u>	<u>3,029,903</u>
Depreciation					
At 1 April 2021	1,170,198	56,837	48,364	37,929	1,313,328
Charge for the year	56,223	2,181	8,704	1,150	68,258
Eliminated on disposal	-	(26,796)	-	-	(26,796)
At 31 March 2022	<u>1,226,421</u>	<u>32,222</u>	<u>57,068</u>	<u>39,079</u>	<u>1,354,790</u>
Net book value:					
At 31 March 2022	<u>1,604,750</u>	<u>2,080</u>	<u>64,547</u>	<u>3,736</u>	<u>1,675,113</u>
At 1 April 2021	<u>1,660,973</u>	<u>4,261</u>	<u>15,868</u>	<u>4,886</u>	<u>1,685,988</u>

Land with a value of £20,000 (2021: £20,000) is included in Freehold land and buildings and is not depreciated. All of the above assets are used for Charitable purposes.

13. Investments

	Fixed Interest £	Listed equities at market value £	Group total £	Unlisted £	Charity total £
Fair value at 1 April 2021	520,000	808,400	1,328,400	1	1,328,401
Additions	600,000	2,263,402	2,863,402	-	2,863,402
Disposals	(820,000)	(107,784)	(927,784)	-	(927,784)
Revaluation during the year	-	85,872	85,872	-	85,872
Fair value at 31 March 2022	<u>300,000</u>	<u>3,049,890</u>	<u>3,349,890</u>	<u>1</u>	<u>3,349,891</u>
Cash held in investments			<u>87,886</u>		<u>87,886</u>
Net book value at 31 March 2022			<u><u>3,437,776</u></u>		<u><u>3,437,777</u></u>
Fair value at 31 March 2021	520,000	808,400	1,328,400	1	1,328,401
Cash held in investments			<u>1,919,403</u>		<u>1,919,403</u>
Net book value at 31 March 2021			<u>3,247,803</u>		<u>3,247,804</u>

The historical cost of Listed Equity Investments included above at market value is £3,007,985 (2021: £1,102,367).

14. Subsidiary undertaking

The Company owns the whole of the issued ordinary share capital of Katharine's Cupboard Limited, a company registered in England with company number 06297831. The registered office address is East End, Adderbury, Banbury, Oxford, OX17 3NL. The company is non trading and will be closed in the year ended 31st March 2023.

The aggregate of the assets, liabilities and reserves was:

	2022 £	2021 £
Assets	23,506	23,506
Liabilities	(23,505)	(23,505)
Reserves	<u>1</u>	<u>1</u>

The amounts owed to the parent undertaking are shown in note 15.

15. Debtors

	The Group		The Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	695,326	550,549	695,326	550,549
Other debtors	26,060	16,147	26,060	16,147
Prepayments & accrued income	174,870	335,968	174,870	335,968
VAT recoverable	10,410	127,937	10,410	127,937
Amount owed by group undertaking	-	-	1,508	1,508
	<u>906,666</u>	<u>1,030,601</u>	<u>908,174</u>	<u>1,032,109</u>

16. Creditors: Amounts falling due within one year

	The Group		The Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	79,903	68,191	79,903	68,191
Taxation and social security	16,784	61,857	16,784	61,857
Other creditors	7,580	42,856	7,580	42,856
Accruals	45,303	196,215	45,303	196,215
Deferred income (note 17)	101,950	110,716	101,950	110,716
	<u>251,520</u>	<u>479,835</u>	<u>251,520</u>	<u>479,835</u>

17. Deferred Income – Group & Charity

	The Group		The Charity	
	2022	2021	2022	2021
	£	£	£	£
Balance at the beginning of the year	110,716	434,220	110,716	434,220
Amount released to income in the year	(19,129)	(372,337)	(19,129)	(372,337)
Amount deferred in the year	10,363	48,833	10,363	48,833
Balance at the end of the year	<u>101,950</u>	<u>110,716</u>	<u>101,950</u>	<u>110,716</u>

Lottery income received in advance is deferred to the date of the lottery draw. Raffle income is similarly deferred until the draw.

18 (a) Analysis of net assets between funds – current year

	General unrestricted	Restricted funds	Total funds
	£	£	£
Intangible assets	13	-	13
Tangible assets	1,675,113	-	1,675,113
Investments	3,437,776	-	3,437,776
Net current assets	641,522	853,068	1,494,590
Net assets at 31 March 2022	<u>5,754,424</u>	<u>853,068</u>	<u>6,607,492</u>

18 (b) Analysis of net assets between funds - prior year

	General unrestricted	Restricted funds	Total funds
	£	£	£
Intangible assets	4,501	-	4,501
Tangible assets	1,685,988	-	1,685,988
Investments	3,247,803	-	3,247,803
Net current assets	451,541	625,875	1,077,416
Net assets at 31 March 2021	<u>5,389,833</u>	<u>625,875</u>	<u>6,015,708</u>

19 (a) Movement on funds – current year

	As at 1 April 2021 £	Income £	Expenditure & Losses £	Transfers and Gains £	As at 31 March 2022 £
Restricted funds:					
Hospice Companion	14,011	-	-	-	14,011
Patient Welfare	-	1,125	(1,125)	-	-
Chapel	622	-	-	-	622
Equipment	15,069	-	(3,355)	-	11,714
Projects	58,679	-	(12,695)	-	45,984
Grounds and Gardens	2,494	-	(253)	-	2,241
Intangible Funding	-	-	-	-	-
OUH Capital	535,000	250,000	(6,504)	-	778,496
Total restricted funds	625,875	251,125	(23,932)	-	853,068
Unrestricted funds:					
General funds	5,389,833	2,776,957	(2,598,170)	185,804	5,754,424
Total funds	6,015,708	3,028,082	(2,622,102)	185,804	6,607,492

19 (b) Movement on funds – prior year

	As at 1 April 2020 £	Income £	Expenditure & Losses £	Transfers and Gains £	As at 31 March 2021 £
Restricted funds:					
Hospice Staffing	24,937	10,150	(35,087)	-	-
Hospice Companion	25,500	-	(11,489)	-	14,011
Patient Welfare	287	1,000	(1,287)	-	-
Chapel	1,152	-	(530)	-	622
Equipment	59,443	13,495	(19,237)	(38,632)	15,069
Projects	75,000	-	(16,321)	-	58,679
Grounds and Gardens	7,193	3,740	(8,439)	-	2,494
Intangible Funding	-	49,071	(49,071)	-	-
OUH Capital	-	535,000	-	-	535,000
Total restricted funds	193,512	612,456	(141,461)	(38,632)	625,875
Unrestricted funds:					
General funds	5,223,275	4,307,804	(4,490,767)	349,521	5,389,833
Total funds	5,416,787	4,920,260	(4,632,228)	310,889	6,015,708

Fund Descriptions and policy

The full reserves policy is provided in the Trustees' report. Overall, the Charity needs to retain £2.3m of free reserves to satisfy the full on-going reserves requirement. This will enable Katharine House Hospice Trust to manage short term losses of statutory or fundraising income and provide sufficient time to plan any changes required to future service delivery.

Restricted Funds:

Hospice Staffing Fund – This fund represents donations received with the specific request that they be used to defray the cost of Hospice staffing

Hospice Companion Fund – This fund represents donations received with the specific request that they be used to defray the cost of the Hospice companion service.

Patient Welfare Fund – This fund represents donations towards equipment and projects that enhance patient wellbeing and welfare. This includes Art Room supplies, massage and therapy supplies, musical instruments, games, and CDs.

Chapel Fund – This fund represents monies given to us for use by the chaplain in defraying certain expenses incurred in running of our chapel.

Equipment Fund – This fund is for donations given towards the purchase of new equipment.

Projects – This fund represents donations received towards the cost of projects.

Grounds & Gardens Fund - The fund represents donations towards the upkeep of our grounds and gardens, which help create an atmosphere of peace and tranquillity at the Hospice for all those who come to us.

Intangible Funds - The fund represents the provision of a Specialist Registrar (£49,071) by the Oxford University Hospitals NHS Foundation Trust . No direct charge is made to the Hospice for these services, but this treatment is felt to illustrate more fairly the costs involved in the provision of palliative care services by the Hospice.

Oxford University Hospital Fund – This fund represents income received from Oxford University Hospitals NHS Foundation Trust to cover future capital works and transition expenses.

Unrestricted Funds:

General Fund - This fund recognises the need to protect Hospice services and the high level of costs incurred by Katharine House alongside the challenges faced by all within the hospice sector of maintaining and building both statutory and fundraising income. This fund will continue to be treated as unrestricted funding, in line with the wider Charity sector.

20. Operating lease commitments payable as a lessee

The Group's total future minimum lease payments under non-cancellable operating leases was as follows:

	2022	2021
	£	£
Less than one year	110,813	88,333
One to five years	249,108	194,746
Over five years	16,114	52,833
	<u>376,035</u>	<u>335,912</u>

21. Commitments including Grant Commitments

As at 31 March 2022, the Group had no capital commitments (2021: £nil).

On 31st March 2021 Katharine House Hospice Trust (KHH) entered into an agreement with Oxford University Hospitals NHS Trust (OUH), to transfer the provision of hospice and palliative care services currently provided by KHH to OUH. KHH agreed to fund OUH £1.4m each year for two years until 31st March 2023, funded from ongoing fundraising activities and reserves.

22. Contingent liabilities

As at 31 March 2022 the Group had no contingent liabilities (2021: £nil).

23. Related party transactions

As at 31 March 2022 the sum of £1,509 was owed by Katharine's Cupboard Limited to The Katharine House Hospice Trust (2021: £1,509).

24. Parent Company/ Charity

The parent Charity's gross income and the net result for the year was as follows:

	2022	2021
	£	£
Gross income	3,028,082	4,920,259
Result for the year	591,784	598,921

25. Taxation

The Charity is exempt from corporation tax as all its income is Charitable and applied for Charitable purposes. The Charity's trading subsidiary, Katharine's Cupboard Ltd, did not trade during the year.

Katharine House Hospice
Aynho Road, Adderbury, Banbury OX17 3NL

Reg. Charity No 297099

www.khh.org.uk

KATHARINE HOUSE HOSPICE TRUST

England & Wales - Charity number 297099

Accounts

Annual report and financial statements

For the year ended 31 March 2021

The Katharine House Hospice Trust
(Company limited by guarantee)
Company No. **02133391**
Registered Charity No. 297099



**KATHARINE
HOUSE
HOSPICE**

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Reference and Administrative Details:

Registered name	The Katharine House Hospice Trust	
Status	The organisation is a Charitable Company limited by guarantee, incorporated on 20 May 1987 and registered as a Charity on 26 June 1987.	
	The Katharine House Hospice Trust is a Company limited by guarantee, having no share capital, with all Trustees being members of the Company. The liability of the members is limited to £1 in the event of the winding up of the Company.	
Governing document	The Company was established under Memorandum and Articles of Association which established the objects and powers of the Charitable Company.	
Company number	02133391	
Charity number	297099	
Registered office	Aynho Road, Adderbury, Banbury OX17 3NL	
Trustees	Dr Jonathan Williams	(chair to 18 March 2021, resigned 18 March 2021)
	Ms Dorothy Bean	(resigned 18 March 2021)
	Ms Lindsey Bowser	
	Ms Geraldine Burke	
	Mr David Drummond	(resigned 18 March 2021)
	Sir Tim Jenner	(chair from 18 March 2021)
	Mr Richard Jones	
	Dr Christina Lloyd	
	Ms Carol Shaw	(resigned 12 June 2021)
	Mr Anthony Summersgill	(resigned 18 March 2021)
	Ms Catherine Teideman	(appointed 18 March 2021)
	Ms Vicki Reay	(appointed 18 March 2021)
	Ms Holly Splers	(appointed 18 March 2021)
	Mr Robert Cooke	(appointed 18 March 2021)
Senior Leadership Team	Angharad Orchard	Chief Executive (to 10 th May)
	Dr Charlie Bond	Medical Director and Consultant in Palliative Medicine (transferred to Oxford University Hospitals NHS Trust 31 March 2021)
	Michele Booth	Director of Patient and Family Care (transferred to Oxford University Hospitals NHS Trust 31 March 2021)
	Justine Williams	Director of Fundraising and Communications (to 18 August 2021)
	Chris Keeping	Head of Finance (from 18 March 2021 – 9 September 2021)
	Karen Welsh	Head of Marketing and Communication (from 1 Sep 2021)
	Scott Bloomfield	Head of Retail (from 18 March 2021)
	Trevor Johnson	Chief Executive (from 10 th May 2021)
	Jeremy Childerstone	Head of Finance (from 23 August 2021)
	Stephanie Lawless	Head of Fundraising (from 15 November 2021)

Advisors:

Principal Bankers	Yorkshire Bank 7 Gold Street Northampton NN1 1EN
	HSBC 17 Market Place Banbury OX16 5ED
Investment Managers	Investec Investment Wealth Limited 30 Gresham Street London EC2V 7QN
	Quilter Cheviot Two Snowhill Birmingham B4 6GA
Solicitors	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES
Auditors	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP

The Trustees present their annual report together with the audited financial statements for the year ended 31 March 2021. The format and content of the report and the financial statements comply with current statutory requirements, the Charity's Memorandum and Articles of Association and the Charities Statement of Recommended Practice (FRS 102 second edition – October 2019) 'Accounting and Reporting by Charities'.

It is important to preface this report by highlighting the two major changes which occurred during the year. First, the Covid pandemic had a major effect on the delivery of our service, and on the performance of our fundraising and retail operations. Secondly, the work to plan and implement the collaboration arrangement with Oxford University Hospitals National Health Service Foundation Trust (OUH) was extensive. Combined, these two factors placed an exceptionally high work load on each and every member of our team. The Trustees wish to place on record their thanks to them all for continuing to provide the highest quality clinical service throughout and for achieving an agreement with OUH that will allow the Charity to continue to meet its objectives in the future.

As a result of the transition to the new arrangement with OUH, effective on 1 April 2021, the Trustees undertook a consultation to determine the future Board structure and membership, the committee structure, and the structure, skills and competencies required for the Senior Leadership Team. A number of changes have been made and these are recorded in the next section. The Charity's objectives remain essentially unchanged; although the Board intends to propose some minor amendments to more accurately reflect the new organisation.

1. Structure, governance, and management

Governing document and structure

The Company was registered in May 1987 (No. 2133391) with the governing instrument being its Memorandum and Articles of Association. The Articles state that the Board of Trustees shall have full discretion as to the admission of any person to membership of the association.

The Katharine House Hospice Trust is a company limited by guarantee, having no share capital, with all Trustees being Members of the company. The liability of the Members is limited to £1 in the event of the winding up of the company.

The Trustee Board

The Board of Trustees meets quarterly to set and review the strategy of the Charity. The Chief Executive is appointed by the Board and has delegated responsibility for the day-to-day management of the Charity with the support of the Senior Leadership Team.

The Board of Trustees is fully committed to the financial stewardship, quality, and safety of the Charity.

The Trustees are guided by an agreed scheme of corporate governance which sets out their responsibilities and those of the executive management team. Potential conflicts of interest are addressed in a Conflict of Interests Policy and a register of Trustees' interests is maintained. Potential conflicts of interest are addressed at every meeting of the Trustees.

New Trustees undertake an induction programme designed to ensure their understanding of the Trustee role and their knowledge of the hospice and wider hospice sector. As well as a review of core documents the induction offers provides opportunities to meet with staff and volunteers across the hospice, and to observe or shadow parts of our service delivery.

No Trustee received any remuneration during the year nor any reimbursement of expenses (see note 9) to the financial statements).

Sub-committees

The Board is advised by a range of sub-committees. The regular sub-committees at 31st March were:

- Finance, Fundraising and Retail
- Workforce
- Clinical Governance.

From 1 April 2021 the sub-committees are:

- Finance Audit and Risk
- Income Generation
- General Management

Organisation structure and key management personnel

Trustees are responsible for the strategic direction of the organisation. Day to day management is delegated to the Senior Leadership Team. The pay of the Leadership Team is set by Trustees in line with the pay policy of the Charity, which is in line with market rates for similar roles in the charity sector.

2. Objectives, values, and public benefit statement

Objectives

We provide specialist palliative care for adults with life-limiting conditions across North Oxfordshire, South Northamptonshire, and South Warwickshire.

Whilst we care for people at end of life, we also offer support for symptom management and pain relief throughout a person's illness. Our care is not just about managing the physical symptoms of disease; we know that people need emotional and spiritual support too, and our team works to support people in these areas too, as well as helping people to access the practical support they need.

Our care is offered throughout the local community. Whilst many of our patients come into the Hospice, we care for many more in their own homes, care homes or in hospital.

In the last year, the transition to the new collaboration with OUH has resulted in a shift of leadership and focus to a fundraising Charity that works in partnership with other agencies to deliver a regional end of life care provision. The seamless nature of care resulting from this strategic partnership means that we expect service utilisation and standards to continue to increase in future years in line with our strategic goals.

Our vision and core values

We exist because every individual's journey matters.

Our aim

If you are diagnosed with a life limiting condition, you will be given every opportunity to live fully with your illness. You will be cared for sensitively through to death, and your friends, families and carers will be helped to continue with life after loss.

Our role

We offer individualised care to those facing life limiting illnesses. We support people when they need it, where they need it and how they need it. We work in partnership and help educate other professionals so that they can deliver great care too.

Our values

When you become a part of the Katharine House community, we want you to be:

Fulfilled

Life is for living, right up until the last moment, and here you'll be able to do that alongside people who recognise what you're going through and accept you as you are. Our individualised approach to care gives you the freedom and opportunity to continue a full and vibrant life and our warm and friendly team will help you to access a range of support.

Respected

Every person's situation is unique, so we'll always treat you and your family that way. We'll work with you to identify the type of care you would find most helpful, as well as the different places and times you would most appreciate support. We'll listen to you and respect your choices, while always making sure that you're well informed and can feel confident about the help you're receiving.

Reassured

You'll always be cared for by competent, knowledgeable, and sensitive people, who fully recognise your situation and will respect your privacy. We have strong partnerships with a variety of both local and national healthcare providers, making sure that we can offer high-quality and holistic care, and we're continually investing in our staff so that we can stay on top of new developments that could improve the support we offer you.

Public benefit statement

The Trustees have referred to the Charities Act 2011 on guidance on public benefit when reviewing the aims and objectives of Katharine House Hospice and in planning its future activities and the OUH partnership, and consequently are able to confirm their belief that the Hospice's activities are of public benefit and will continue to be in the future. Our activities and achievements in furtherance of the public benefit are set out below, the Trustees gave particular consideration to public and community benefit when making decisions on the partnership with OUH.

3. Our care and services

Partnership with NHS Foundation Trust

Over the last 18 months Trustees have worked to achieve the implementation of the partnership with OUH that would lead to the transfer of Katharine House's clinical service to OUH. These discussions were successfully concluded and the changes took effect on 1 April 2021. Going forward Katharine House Hospice Trust remains a Charity and the fundraising and retail activities will continue to be a vital part of the partnership, enabling the existing services to continue. The Trustees will also seek to build fundraising income over the coming years to support future developments in services provided by OUH.

With effect from 1 April 2021, all the clinical services previously provided by Katharine House will be carried out by OUH, to the same high standards of care that were provided by Katharine House. The clinical services will continue to be provided on the same site under the name of Katharine House Hospice.

Further details of the partnership can be found in notes 3 and 21 to the financial statements.

Services until 31st March 2021

The services provide in the reporting period are outlined below, with particular reference to the impact of Covid. These services will continue unchanged under the collaboration with OUH.

Katharine House cares for patients and families facing life-limiting illnesses living in North Oxfordshire, South Northamptonshire, and South Warwickshire. We support people with the care they needed, when and where they needed it.

We provided our services at our Hospice in Adderbury, as well as out in the community at local hospitals, care homes and in patients' homes. Our care includes an inpatient unit, community and living well services and a hospital palliative care service.

At the centre of our philosophy is our belief in caring for the whole person, addressing the physical, psychological, social, and spiritual needs of our patients in equal balance to ensure they and their family are best supported. We recognise people as individuals and our multi-disciplinary team of specialist palliative care nurses, doctors and other professionals, work in collaboration with other health providers and volunteers to ensure we deliver the right care for each patient and support them in ways which reduce their symptoms, enhance quality of life, and help them to live as fully as possible with their illness.

Inpatient services

Our inpatient ward at our hospice in Adderbury provides round the clock specialist care for people in a welcoming and safe environment and patients may be admitted for symptom control as well as end of life care.

Community services

Our Hospice community services enhance the care already available in the community meaning not everyone needs to visit the Hospice itself. Our CNS's are registered nurses who have specialised in palliative care. They give specialist advice and support to help manage patient's symptoms as well as helping them and their family to meet their social, emotional, and spiritual needs.

Hospital services

We support patients with life limiting illnesses who have been admitted to the Horton General Hospital. Our team of two specialist doctors and a Clinical Nurse Specialist work alongside hospital teams in an advisory capacity.

Living Well services

The aim of Living Well is to enhance the wellbeing of people affected by life-limiting illness. Wellbeing means different things to different people and so our aim is to offer a programme of varied support and activities within which we hope everyone will find something right for them.

The service is run by a multi-professional team including a nurse, health care assistant, chaplain, social worker, physiotherapist, lymphoedema specialist nurse and bereavement lead and it's supported by a team of volunteers. Due to Covid many of these services have been suspended for the year in question.

Social Investment and volunteers

As a service-led Charity, our staff and volunteers are our most important asset. Without the skills, expertise, and dedication of our volunteers we wouldn't be able to provide the care we do to patients and families throughout the year. We know we need to maintain and build our team, recruiting, retaining, and training skilled people, and we have made significant developments to our Human Resources and Volunteering team to enable this.

Our 302 regular volunteers make a huge contribution to our work. Due to the enormous disruption of Covid, volunteering became very difficult AND we took the decision to put all regular volunteering at the hospice on hold for the safety of our patients, staff, and volunteers. This inevitably impacted on the amount of support our volunteers could provide, working as bereavement counsellors, drivers, receptionists, administrators, fundraisers, shop assistants, gardeners, complementary therapists, and Trustees. The work of our volunteers has equated to approximately 23 full time staff and we estimate the value of these donated hours to be approximately £390,000 per annum.

For our staff, Covid impacted significantly on our ability to provide social investment. This is now being reviewed and will relaunch in 2022.

Admissions and referrals

Our mission is to ensure that anyone facing a life-limiting illness in our community has access to the highest quality care throughout their illness and that their family is supported after death. We therefore admit patients solely on the basis of need, regardless of their background.

We provide all our services free of charge to patients and their families.

Anyone in our community can make a referral to our hospice services. In all cases, there must be agreement from the patients' GP or hospital. Depending on the person's needs, they may be admitted to any one of our services, and our team often transfers patients between our services as their illness changes over a period of weeks, months or even years.

We work closely with GPs and hospital staff who refer patients. A dedicated Katharine House community nurse is attached to each GP practice and the Horton General Hospital.

4. Group Strategic Report

Activities, achievements, and performance. How did we do?

Within a year of a global pandemic, our retail and fundraising activities came under enormous pressure and in many cases were prohibited by government legislation – for long periods our shops were closed, and fundraising events were cancelled. In contrast our statutory funding increased markedly as the Hospice became a Covid support centre. Therefore, the usual mix of our income completely changed, as did our service model.

Our Not The Midnight Walk Event was cancelled, as was most of the Open Gardens programme, the Tractor Run and Christmas events were also cancelled. Against this backdrop and the pressures of work caused by the OUH partnership work the Hospice was very successful supporting over 1,000 patients in a year for the first time.

Fundraising disclosures under section 13 of the Charities Act 2016.

As outlined above, performance in fundraising was significantly affected by the pandemic. The Charity continued to focus on its retail activities and also placed an emphasis on remote fundraising such as its lottery and raffles programme.

The Charity is a member of the Fundraising Regulator, The Charity Retail Association and The Institute of Fundraising.

Under the provisions of Section 13 of the Charities (Protection and Social Investment) Act 2016, the Charity can confirm that there has been no failure to comply with fundraising standards by any of its staff, and that Katharine House Hospice does not employ external fundraising agencies.

Katharine House Hospice works within the Fundraising code to ensure that vulnerable people are protected within all fundraising activities.

Strategic priorities

Previously our strategic priorities were:

- Provide high quality patient-led care that recognises individual needs and mobilises services around them
- Ensure the needs of the carers, families and loved ones of those experiencing life limiting illnesses are effectively met
- Reach more people, particularly those with non-cancer diagnoses and from harder to reach communities
- Empower professionals to deliver great care through collaboration, support, communication, and education
- Ensure a financially sustainable organisation, equipped to meet the needs of our local community in the long term

Within the pandemic it has been very difficult to monitor the success of these, given the environment in which we had to operate. However, the partnership with OUH and the funding model that we have applied to this, means that we believe that our services will reach more people than ever before and that we have been able to secure End of Life services and support for our community for the future. Despite all of these challenges we still supported in 2020/21:

Total number of patients seen	1,054
Total number on IPU	150
Total number supported in hospital	349
Total number supported by CNS team	507
Total number seen by Living Well	74
Total seen by lymphoedema	112
Total number of bereavement support patients	176

The Katharine House Hospice Trust
Annual Report and Financial Statements for the year ended 31 March 2021
Report of the Board of Trustees (incorporating the Strategic Report)

Since 31st March 2021 we have had a shift in leadership in the Charity to ensure that strategically Katharine House is fit for a future within the new partnership with OUH. This includes the appointment of a new CEO who is more income generation focussed and a change to the leadership team. Considerable effort was also expended to change the composition of the Trustee Board and a strategic Trustee recruitment campaign was launched which resulted in the appointment of 5 new Trustees with a new focus appropriate to the changed nature of the Charity.

Coronavirus pandemic - our Response

In 2020 Katharine House was asked by the NHS to make some rapid change to our services in response to the Covid 19 pandemic. In particular we:

- Substantially increased the number of beds in our inpatient unit (by nearly 300% in a few days) to enable us to care for more people at the end of life. Our nurses, doctors and healthcare professionals worked compassionately and tirelessly throughout this period despite risks to their own health, and two members of our nursing team lived away from home for a number of weeks in order to care for Covid positive patients and protect their own families.
- Helped to staff a 24/7 advice line to provide advice and support to other healthcare providers
- Enabled much of our community support to be provided remotely, including the introduction of Attend Anywhere, whilst also maintaining an ability to visit patients in their own homes where necessary.
- Moved much of our Living Well support online or on the telephone to ensure service users could continue to connect with the Hospice.
- Increased our sessions in the Horton Hospital to support the increased numbers of patients dying.
- Adapted our fundraising and retail activity to introduce new ways of supporting Katharine House during the pandemic.

To enable the provision of the services referred to above, Oxfordshire CCG (OCCG) provided additional funding to cover all clinical and related costs for the period from April to July 20. As a result, both cash flow and the net deficit position did not deteriorate as would otherwise have been the case.

The two periods of National lockdown to date have necessitated the closure of our retail shops. To mitigate the impact on income we have taken advantage of the Coronavirus Job Retention Scheme (CJRS) and the Retail Grant Scheme. The total amount received in 2021 is £193.5k. (2020: £123.4k).

CJRS income was also claimed for those members of staff who were shielding or required to self-isolate throughout the crisis.

Financial summary Income, expenditure, and results

Before revaluation of investments, the financial year ended with a deficit of £183k in unrestricted funds (2020, deficit £474k) and a gain of £471k in restricted funds (2020, gain £105k). After revaluation of investments, the net surplus for the year is £599k (2020, deficit £666k).

As noted above, due to the global pandemic, our retail and fundraising activities came under enormous pressure and in many cases were prohibited by government legislation – for long periods our shops were closed and fundraising events were cancelled. In contrast our statutory funding increased as the Hospice became a Covid support centre. Therefore, the usual mix of our income completely changed.

	Note	2021	2020	+/-%
Donations & legacies	2	999,480	1,297,823	-23.0%
Charitable activities (including statutory funding)	3	2,972,773	1,383,324	114.9%
Other trading	4	777,727	1,349,501	-42.4%
Investments	5	81,328	110,572	-26.4%
Business interruption claims	6	88,951	-	n/a
		<u>4,920,259</u>	<u>4,141,220</u>	<u>18.8%</u>

Staff costs represent 73.9% of our total annual expenditure (2020: 76.2%) and rose by 1.4% (£48k) compared with last year. Further resources have been invested into all areas and there has been an annual inflationary increase.

Pensions form a significant part of staff costs and Trustees have always believed that the recruitment and retention of good quality staff is enhanced by the provision of attractive pension benefits. We had a dispensation which allowed staff eligible for the NHS defined benefit pension scheme to continue in that scheme, and Katharine House to pay appropriate employer's contributions accordingly. Following the OUH transfer the pensions liability for the NHS scheme has been transferred to OUH.

Other staff are offered a group personal pension scheme administered by Aviva.

The remaining expenditure, not directly related to staff, showed an increase of 14.8% (£159k) on the previous year.

All assets are held for the furtherance of our objectives, enabling us to provide the highest quality of care. These assets are considered to be adequate for this purpose. The net book value of the freehold property as shown in the financial statements is £1.66m. The Trustees are of the opinion that the current market value is not less than the net book value shown in the accounts.

Investment Policy and Performance

In accordance with the Memorandum and Articles of Association, the Trustees have the authority to invest in such stocks, shares, investments, and property as they see fit. An agreed Investment Policy describes the Trustees' investment aspirations which include:

- Providing income
- Providing enhanced value where possible
- Avoiding undue risk by investing diversely and monitoring investments carefully
- Avoiding investment in tobacco related industries

The combined performance of our Investment Fund Managers showed a net capital gain (realised and unrealised) of £428k for the year (2020: loss £297k - £91k realised and £388k notional). There, has been a significant recovery in 2021. Investment income for the year fell by £29k.

Key risks

The Charity has a risk management system to identify key risks that could affect the achievement of our objectives. These are considered by each sub-committee and by the Board and mitigation measures are identified, put into effect, and monitored. The methodology within the risk register has been revised to ensure key risks are quickly brought to the attention of the sub-committees and Board.

The Coronavirus pandemic and further lockdowns remain the key risk facing the Charity and the Charity has a dynamic approach to managing this risk, operating a key stakeholders and leadership support and intervention approach as needed.

Future plans

Following the pandemic and partnership agreement, the Charity is an organisation that exists to provide support to the regional healthcare providers that provide palliative care. Our objectives are to ensure that we will be the leading voice and advocate for those who need end of life care in our community and to be a strong voice nationally, to continue to be the first choice for volunteering in our area, and to help to demonstrate the positivity that quality end of life care can bring to families as they create lasting memories whilst ensuring that we can direct and support new service development and improvements for our supporters and service users.

5. Reserves policy

The Charity has developed a Reserves Policy that includes a realistic assessment of the impact of a sudden and dramatic reduction in income and Trustees judge that the Charity needs to retain £2.3m of free reserves to satisfy the requirement. Trustees are aware of the continuing financial deficit likely for the immediate future which will see

further pressure on reserves and continue to carefully monitor movement. When we have eliminated the current levels of deficit a further review of holdings will be undertaken.

The total reserve requirement will be £2.3m at point of transfer (1st April 2021), falling to £2.0m after initial investment of £300k in fundraising activity post-transfer. As at 31 March 2021 the level of free reserves held was £4.325m 2020: (£3.516m).

6. Statement of accounting and reporting responsibilities

The Trustees are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

Company and Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the group and of the group's incoming resources and application of resources, including the group's income and expenditure for that year. In preparing those financial statements, the Trustees are required to:

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

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

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

7. Statement of disclosure of information to auditors

We confirm that, in so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors & Trustees report (including Strategic report) is approved on behalf of the Trustees by:



Sir Tim Jenner
Chair of Trustees

Date: 27th January 2022

Independent Auditor's report to the members of The Katharine House Hospice Trust for the year ended 31 March 2021

Opinion

We have audited the financial statements of The Katharine House Hospice Trust for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Director's 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 Katharine House Hospice Trust's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the Directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and the strategic report included within the Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate and proper 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 the Trustees

As explained more fully in the Trustees' responsibilities statement [set out on page 10], 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

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 Directors/Trustees, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company,
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- 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 assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and

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 meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with 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.



28/01/2022

Robert Kirtland, Senior Statutory Auditor
for and on behalf of Critchleys Audit LLP
Statutory Auditors
Beaver House
23 – 38 Hythe Bridge Street
Oxford
OX1 2EP.

The Katharine House Hospice Trust
Annual Report and Financial Statements for the year ended 31 March 2021
Consolidated Statement of Financial Activities
(Including Consolidated Income and Expenditure account)

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted As restated £	Restricted £	2020 Total As restated £
Income from:							
Donations and legacies	2	971,095	28,385	999,480	1,113,852	183,971	1,297,823
Charitable activities	3	2,388,702	584,071	2,972,773	1,312,527	70,797	1,383,324
Other trading activities	4a	777,727	-	777,727	1,349,501	-	1,349,501
Investments	5	81,328	-	81,328	110,572	-	110,572
Other	4b	88,951	-	88,951	-	-	-
Total income		4,307,803	612,456	4,920,259	3,886,452	254,768	4,141,220
Expenditure on:							
Raising funds	6	(1,030,011)	-	(1,030,011)	(1,274,817)	(8,175)	(1,282,992)
Charitable activities	6&7	(3,460,755)	(141,461)	(3,602,216)	(3,085,265)	(141,857)	(3,227,122)
Total expenditure	6	(4,490,766)	(141,461)	(4,632,227)	(4,360,082)	(150,032)	(4,510,114)
Net income/ (expenditure) before revaluation		(182,963)	470,995	288,032	(473,630)	104,736	(368,894)
Net gain/(loss) on investments		427,890	-	427,890	(296,655)	-	(296,655)
Loss on transfer of assets to OUH		(78,369)	(38,632)	(117,001)	-	-	-
Net income / (expenditure) for the year		166,558	432,363	598,921	(770,285)	104,736	(665,549)
Transfers between funds		-	-	-	-	-	-
Net movement of funds for the year		166,558	432,363	598,921	(770,285)	104,736	(665,549)
Reconciliation of funds:							
Balances brought forward at 31 March		5,223,275	193,512	5,416,787	5,993,560	88,776	6,082,336
Balances carried forward 31 March	18a&b	5,389,833	625,875	6,015,708	5,223,275	193,512	5,416,787


The notes on pages 18 to 32 form part of these financial statements.

The Katharine House Hospice Trust
Annual Report and Financial Statements for the year ended 31 March 2021
Group and Charity Balance Sheet

	Note	The Group		The Company	
		2021	2020	2021	2020
		£	As restated £	£	As restated £
Fixed assets:					
Intangible assets	11	4,501	6,033	4,501	6,033
Tangible assets	12	1,685,988	1,894,873	1,685,988	1,894,873
Investments	13	3,247,803	2,760,592	3,247,804	2,760,593
		4,938,292	4,661,498	4,938,293	4,661,499
Current assets:					
Debtors	15	1,030,601	742,747	1,032,109	744,255
Cash at bank and in hand		526,650	790,165	525,141	788,656
		1,557,251	1,532,912	1,557,250	1,532,911
Liabilities:					
Creditors: amounts falling due within one year	16	(479,835)	(777,623)	(479,835)	(777,623)
Net current assets		1,077,416	755,289	1,077,415	755,288
Total net assets	18	6,015,708	5,416,787	6,015,708	5,416,787
Funds:					
Restricted income funds	19	625,875	193,512	625,875	193,512
Unrestricted funds		5,389,833	5,223,275	5,389,833	5,223,275
Total funds	18	6,015,708	5,416,787	6,015,708	5,416,787

The notes on pages 18 to 32 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Trustees on 27th January 2022 and were signed on its behalf by:



Sir Tim Jenner
Chair of Trustees

Company Registration Number: 02133391

The Katharine House Hospice Trust
Annual Report and Financial Statements for the year ended 31 March 2021
Consolidated Statement of Cash Flows

	Note	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Net income / (expenditure) for the reporting period (as per the Statement of Financial Activities)		288,032		(368,894)	
Amortisation of intangible assets	8	1,532		2,813	
Depreciation of fixed assets	8	113,521		122,023	
Dividends, interest, and rent from investments		(81,328)		(110,572)	
(Profit)/loss on the disposal of fixed assets		117,085		-	
(Profit)/loss on the disposal of fixed assets to OUH		(117,001)		-	
(Increase)/decrease in debtors		(287,854)		(182,358)	
Increase/(decrease) in creditors		(297,788)		260,298	
Net cash (used in) operating activities			(263,801)		(276,690)
Cash flows from investing activities:					
Interest received	5	26,070		36,272	
Dividends received	5	55,258		74,300	
Purchase of intangible fixed assets		-		-	
Proceeds from sale of tangible fixed assets		3,166		-	
Purchase of tangible fixed assets		(24,887)		(46,519)	
Proceeds from sale of investments		1,723,075		815,230	
Purchase of investments		(580,979)		(303,619)	
Net cash provided by / (used in) investing activities			1,201,703		575,664
Change in cash and cash equivalents in the year			937,902		298,974
Cash and cash equivalents at the beginning of the year			1,508,151		1,209,177
Cash and cash equivalents at the end of the year			2,446,053		1,508,151
Cash and cash equivalents are held as follows:					
Cash at bank and in hand			526,650		790,165
Cash held in investments	13		1,919,403		717,986
Cash and cash equivalents at the end of the year			2,446,053		1,508,151

Notes to the financial statements for the year ended 31 March 2021

Statutory information

The Katherine House Hospice Trust Ltd is a private company limited by guarantee, registered in England and Wales, registration no 2133391. The registered office is Aynho Road, Adderbury, Banbury OX17 3NL.

Compliance with accounting standards

The format and content of the financial statements have been prepared in accordance with the Charities SORP (FRS 102), the Charities Act 2011, the Companies Act 2006 and FRS 102.

Public Benefit Entity

The Charity is a public benefit entity.

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below and have remained unchanged from the previous period.

(a) Going Concern, Basis of Preparation, and Presentation currency

The financial statements have been prepared on a going concern basis under the historical cost convention, modified by the inclusion of fixed asset investments at their market value.

At the time of approving the accounts, the Trustees have a reasonable expectation that Katharine House Hospice has adequate resources to continue in operational existence for the foreseeable future. The Trustees consider there are no material uncertainties about the Charity's ability to continue and adopt the going concern basis of accounting in preparing the accounts.

The financial statements are prepared in £ sterling, rounded to the nearest £, which is the functional currency of the Company.

(b) Basis of preparation of group financial statements

These accounts are consolidated accounts. The group financial statements consolidate the financial statements of the Charitable Company and of its subsidiary undertaking, Katharine's Cupboard Limited, made up to 31 March 2021. The Charity has adapted the Companies Act format of the financial statements to reflect the special nature of the Charity's activities. No separate Statement of Financial Activities has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006 and the Charities SoRP (FRS 102).

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income, the amount can be quantified with reasonable accuracy, and it is probable that the income will be received. The following specific policies are applied to categories of income:

Donations are accounted for as received by the Charity.

Gifts in kind: Estimating the fair value of donated goods for resale is impractical because of the volume of low-value items received. Therefore, donated goods for resale are not recognised on receipt. Instead, the value to the Charity of the donated goods sold is recognised as income when sold. Other gifts in kind, including donated facilities and services, are recognised in income at their fair value.

Legacies are recognised at the earliest of either the Charity being notified of an impending distribution or when they are received and when they are quantifiable.

Shop income is recognised on a cash receipt basis.

Lottery income is recognised when allocated to the current week's draw. Lottery funds received and not drawn before the balance sheet date are recorded as deferred income and included within creditors in the balance sheet.

The income from fund raising ventures is shown gross, with the associated costs included within fund raising costs.

Investment income is included when receivable. Realised and unrealised gains and losses are dealt with in the Statement of Financial Activities. 2020 investment income has been restated to move realised gains from investment income to investment gains in line with SoRP (FRS102).

Grant income, including government grants, is recognised when received and conditions for receipt have been complied with. The Charity considers that where a term or condition simply restricts the use of a grant, this does not affect a Charity's entitlement to the gift and recognition of income.

No amount is included in the financial statements for volunteer time in line with the SoRP(FRS 102).

(d) Expenditure Recognition

All expenditure is accounted for on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as irrecoverable VAT in the appropriate expense category. Expenditure is categorised under the following headings:

Expenditure on Charitable Activities comprises those costs incurred by the Charity in the delivery of specialist palliative care and associated services for patients with a terminal illness.

Costs of Raising Funds comprise costs incurred in encouraging people and organisations to contribute financially to the Charity's work. This includes the cost of advertising for donations, the running of the lottery including prize money, costs associated with the running of the shops, and the staging of special fundraising events, and investment managers' costs.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly to that activity, with remaining support costs (which include office costs, governance costs and administrative payroll costs) being allocated to a particular activity on an appropriate basis as set out in notes 6 and 7.

(e) Fixed Asset Investments

Fixed interest investments are held to maturity for the purposes of income generation and not capital appreciation; the Trustees consider it appropriate to show these at cost less amortisation of premium paid.

Listed Equities are stated at market value as at the balance sheet date. Realised and unrealised gains and losses on investments during the year are dealt with in the Statement of Financial Activities.

During the year the Trustees considered it appropriate that cash held in investments should be included in investments rather than cash at bank and in hand. The Trustees also felt it appropriate for realised gains on the sale of investments to be shown as a part of net loss/ (gain) on investments, rather than, as previously, within income. The prior year Statement of Financial Activities and Balance Sheet have been restated accordingly.

(f) Current Asset Investments

Investments held for resale are included in current assets.

(g) Intangible Assets

Intangible assets are amortised on a straight-line basis over their useful lives as follows:

Computer software	20%
-------------------	-----

In the Statement of Financial Activities the amortization charge is allocated between expenditure on raising funds and Charitable activities.

(h) Tangible Fixed Assets

Tangible fixed assets are included in the financial statements at historical cost, less accumulated depreciation. Depreciation of tangible fixed assets is provided on a straight-line basis, calculated at annual rates estimated to write off each asset over the term of its useful life. During the year the Trustee's considered it appropriate that some new items of IT equipment should be depreciated over 3 years. The depreciation rates applicable are:

Freehold land	nil
Freehold buildings	2%
Leasehold property	period of the lease
Motor vehicles, medical, office & catering & computer equipment	10%, 20% and 33 1/3%
Assets under construction	nil

(i) Stock

Any stocks held are felt by the Trustees to be insignificant and carry no value.

(j) Taxation

The Company is registered as a Charity and is not liable to corporation tax on its Charitable activities.

(k) Value Added Tax

The Company and its trading subsidiary have a group registration for VAT purposes. The Group is partially exempt for the purposes of VAT.

(l) Pension costs

Retirement benefits are provided to employees by way of various pension schemes as set out in note 10 to the financial statements. Contributions payable to these pension schemes are charged in the Statement of Financial Activities in the period to which they relate. Any differences between the contributions payable in the year and those actually paid are included within creditors in the Balance Sheet. FRS 102 requires fixed payments amounts to be included on the Balance Sheet.

(m) Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the term of the lease

(n) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, funding providers or which have been raised by the Company for a particular purpose. The costs of raising and administering such funds are charged against the specific fund.

(o) Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due.

(p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term, highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(q) Creditors and provisions

Creditors are recognised where the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(r) Financial Investments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Income from donations & legacies

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Donations	880,512	28,385	908,897	847,875	183,971	1,031,846
Legacies	90,583	-	90,583	265,977	-	265,977
	<u>971,095</u>	<u>28,385</u>	<u>999,480</u>	<u>1,113,852</u>	<u>183,971</u>	<u>1,297,823</u>

3. Income from Charitable activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Statutory NHS funding	2,204,548	535,000	2,739,548	1,297,610	22,690	1,320,300
Fees & Grants	184,154	-	184,154	14,917	-	14,917
Gifts in Kind	-	49,071	49,071	-	48,107	48,107
	<u>2,388,702</u>	<u>584,071</u>	<u>2,972,773</u>	<u>1,312,527</u>	<u>70,797</u>	<u>1,383,324</u>

As a part of the transfer to Oxford University Hospitals NHS Foundation Trust £535,000 of restricted income was received to cover future capital works and transition expenses.

The NHSE awarded funding to allow the Hospice to make available bed capacity and community support from April 2020 to July 2020, to provide support to people with complex needs in the context of the Covid-19 situation, and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

The Company has had gifts in kind in the form of donated services for a Specialist Registrar. An amount of £49,071 (2020: £48,107) has been shown as incoming and expended resource with a net nil effect on the results of the Company for both years.

4a. Income from other trading activities

	Unrestricted £	£	2021 Total £	Unrestricted £	£	2020 Total £
Charity shop income	245,763	-	245,763	777,101	-	777,101
Lottery	194,964	-	194,964	197,566	-	197,566
Retail grant	80,960	-	80,960	120,000	-	120,000
Furlough grant	112,596	-	112,596	3,426	-	3,426
Other fundraising income	142,191	-	142,191	242,503	-	242,503
Other generated income	1,253	-	1,253	8,905	-	8,905
	<u>777,727</u>	<u>-</u>	<u>777,727</u>	<u>1,349,501</u>	<u>-</u>	<u>1,349,501</u>

4b. Other Income

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Insurance claims	88,951	-	88,951	-	-	-

This represents loss of profits from retail trading during the first government lockdown.

5. Income from investments

	Unrestricted £	Restricted £	2021 Total £	Unrestricted As restated £	Restricted £	2020 Total As restated £
Dividends – Equities	55,258	-	55,258	74,300	-	74,300
Interest - Fixed Interest Securities	26,070	-	26,070	34,874	-	34,874
Interest – Deposits	-	-	-	1,398	-	1,398
	81,328	-	81,328	110,572	-	110,572

6. Total expenditure

		-----Raising Funds-----						
	Basis of Allocation	Charity shops	Charity lottery	Fund Raising	Investment income	Charitable activities	2021 Total	2020 Total
		£	£	£	£	£	£	£
Costs directly allocated to Charitable activities								
Staff costs	Direct	230,323	-	285,014	-	2,389,372	2,904,709	2,779,293
Rent & other shop costs	Direct	133,519	-	-	-	-	133,519	217,025
Merchandise costs	Direct	2,255	-	-	-	-	2,255	5,155
Staff training, recruitment & welfare	Direct	-	-	-	-	19,633	19,633	25,936
Staff and patient travel	Direct	1,145	-	-	-	3,721	4,866	28,439
Waste removal	Direct	5,905	-	-	-	15,282	21,187	24,852
Lottery prizes & costs	Direct	-	88,578	-	-	-	88,578	87,399
Other fundraising costs	Direct	-	-	63,488	-	-	63,488	95,474
Irrecoverable VAT - in year (Recoverable)/ Irrecoverable VAT prior years	Direct	-	-	-	-	-	-	10,840
Investment manager costs	Direct	-	-	(26,362)	-	-	(26,362)	36,476
Repairs to clinical equipment	Direct	-	-	-	15,216	-	15,216	16,272
Patient welfare	Direct	-	-	-	-	18,765	18,765	20,774
Medical consumables	Direct	-	-	-	-	6,513	6,513	6,061
Other costs	Direct	-	-	-	-	122,511	122,511	115,590
Depreciation	Direct	2,962	1,374	4,159	-	9,754	9,754	22,107
		376,109	89,952	326,299	15,216	2,642,290	3,449,866	3,564,146
Support costs allocated to other activities								
Catering costs	Floor	-	-	-	-	141,575	141,575	146,074
Housekeeping costs	Floor	-	-	9,320	-	123,819	133,139	104,803
Administration staff costs	w.t.e	98,818	-	44,917	-	305,437	449,172	411,343
Admin & office expenses	Head	1,961	-	981	-	6,866	9,808	13,765
Admin & office expenses	w.t.e	28,014	-	12,734	-	86,800	127,548	52,189
Utilities, services & insurance	Floor	949	-	6,644	-	87,327	94,920	77,312
Repairs and maintenance	Floor	935	-	6,543	-	85,995	93,473	31,756
Governance	Floor	996	-	6,974	-	91,652	99,622	48,963
Irrecoverable VAT - in year	Floor	-	-	-	-	-	-	7,380
Recoverable VAT prior years	Floor	(166)	-	(1170)	-	(15,380)	(16,716)	-
Depreciation	Floor	498	-	3,487	-	45,835	49,820	52,383
Total expenditure 2021		508,114	89,952	416,729	15,216	3,602,216	4,632,227	4,510,114
Total expenditure 2020		645,022	117,547	504,151	16,272	3,227,122	4,510,114	4,510,114

Represented by:

	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£	£	£	£	£	£
Raising funds	1,030,011	-	1,030,011	1,274,817	8,175	1,282,992
Charitable activities	3,460,755	141,461	3,602,216	3,085,265	141,857	3,227,122
	4,490,766	141,461	4,632,227	4,360,082	150,032	4,510,114

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7. Expenditure on Charitable activities

	Basis of allocation	In Patient Unit	Living Well	CNS Home Care	Hospital Liaison	Lymphoedema	Bereavement Service	Welfare & Education	2021 Total	2020 Total
		£	£	£	£	£	£	£	£	£
Costs directly allocated to Charitable Activities:										
Clinical Staff Costs	Direct	1,165,993	-	422,693	65,862	33,046	6,103	116,433	1,810,130	1,613,266
Clinical Staff Costs	Usage	376,697	61,357	114,117	1,979	1,979	16,586	6,527	579,242	535,537
Staff training, recruitment & welfare	Direct	13,155	785	3,338	196	196	785	1,178	19,633	25,936
Staff and patient travel	Direct	-	169	3,441	-	-	-	111	3,721	22,986
Waste removal	Direct	15,282	-	-	-	-	-	-	15,282	6,156
Repairs to clinical equipment	Direct	18,765	-	-	-	-	-	-	18,765	20,774
Patient welfare	Direct	3,400	2,869	143	8	8	34	51	6,513	6,061
Medical consumables	Direct	118,450	-	-	-	4,061	-	-	122,511	115,590
Other Charitable Activities costs	Direct	2,926	2,926	2,926	244	244	244	244	9,754	22,107
Irrecoverable VAT prior years	Direct	-	-	-	-	-	-	-	-	28,451
Depreciation	Direct	33,054	21,266	2,419	-	-	-	-	56,739	61,509
		1,747,722	89,372	549,077	68,289	39,534	23,752	124,544	2,642,290	2,458,373
Support costs allocated:										
Catering costs	Head	94,855	5,663	24,068	1,416	1,416	5,663	8,494	141,575	146,074
Housekeeping costs	Floor	74,292	18,573	12,382	-	2,476	2,476	13,620	123,819	97,467
Administration staff costs	Head	204,643	12,218	51,924	3,054	3,054	12,218	18,326	305,437	279,713
Administration and office expenses	Head	4,599	275	1,167	69	69	275	412	6,866	9,635
Administration and office expenses	w.t.e	46,969	5,195	20,781	1,732	1,732	2,598	7,793	86,800	35,488
Utilities, services, and insurance	Floor	52,395	13,099	8,733	-	1,747	1,747	9,606	87,327	71,127
Repairs and maintenance	Floor	51,597	12,899	8,600	-	1,720	1,720	9,459	85,995	29,212
Governance	Floor	54,991	13,748	9,165	-	1,833	1,833	10,082	91,652	45,046
Irrecoverable VAT - in year	Floor	-	-	-	-	-	-	-	-	6,790
Recoverable VAT prior years	Floor	(9,227)	(2,308)	(1,538)	-	(308)	(308)	(1,691)	(15,380)	-
Depreciation	Floor	27,500	6,875	4,584	-	917	917	5,042	45,835	48,197
Total expenditure 2021		2,350,336	175,609	688,943	74,560	54,190	52,891	205,687	3,602,216	3,227,122
Total expenditure 2020		2,008,066	178,693	667,747	74,146	53,380	61,761	183,329		3,227,122

8. Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation of fixed assets	113,521	122,023
Amortisation of intangible assets	1,532	2,813
(Profit) / loss on disposal of fixed assets	117,085	-
Operating lease rentals:		
Property	84,748	110,236
Auditor's remuneration (excluding VAT):		
Audit	8,000	7,500
Other	-	10,556
	<u>117,085</u>	<u>130,795</u>

9. Staff costs and numbers

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	2,903,456	2,853,478
Redundancy and termination costs	-	16,443
Social security costs	255,578	246,006
Pension costs	327,575	322,539
	<u>3,486,609</u>	<u>3,438,466</u>

Redundancy and termination payments are accounted for in the period in which the payments were made. During the current financial year such payments amounted to £nil (2020: £16,433) and were charged to unrestricted funds.

Staff numbers

The average number of persons employed by the Charity during the year was:

	2021 FTE	2020 FTE	2021 No.	2020 No.
Charitable activities	45	43	75	70
Support activities	18	20	28	37
Raising funds	21	24	36	34
	<u>84</u>	<u>87</u>	<u>139</u>	<u>141</u>

FTE: Full time equivalent

The number of employees whose total employee benefits (excluding employer pension costs) exceeded £60,000, for the reporting period fell within each band of £10,000 as follows:

	2021	2020
	No.	No.
£60,000 - £69,999	2	2
£70,000 - £79,999	1	1
£80,000 - £89,999	2	-

The key management personnel of the Trust comprise the Trustees, the Chief Executive Officer, Medical Director, Director of Nursing and Director of Fundraising. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £372,194 (2020: £336,473).

Two of the higher paid employees are members of the NHS defined benefit pension scheme and the other has an individual defined contribution pension scheme to which the Hospice contributes.

The Charity Trustees were neither paid or received any other benefits from employment with the Trust or its subsidiary in the year (2020: £nil), neither were they reimbursed expenses during the year (2020: £nil). No Charity Trustee received payment for professional or other services supplied to the Charity (2020: £nil).

The role played by Volunteers is disclosed in the Trustees' report (page 6)

10. Pension costs

The Charity operates two pension schemes for the benefit of all employees. The assets of the pension schemes are held separately from those of the Charity in independently administered funds.

NHS Pension Scheme - Defined Benefit Scheme

A number of the Company's employees are eligible to join the National Health Service pension scheme. The scheme is a defined benefit multi-employer pension scheme administered for the benefit of NHS employees, General Practices and other bodies allowed under the direction of the Secretary of State. The Company is unable to identify its share of the underlying notional assets and liabilities of the scheme with any certainty and accordingly has accounted for the scheme, as permitted by FRS102, as if it were a defined contribution scheme.

The Company's contributions to the scheme in the current year were based on a contribution rate of 14.38% of pensionable pay (2020: 14.38% of pensionable pay) with employees contributing between 5.6% and 13.5% of pensionable pay in accordance with NHS revised contribution rules (2020: between 5.6% and 13.5% of pensionable pay). The pension costs for the year ended 31 March 2021 as included in the Statement of Financial Activities, amounted to £162,687 (2020: £149,140). There was a balance owing to the scheme as at 31 March 2021 of £24,204 (2020: £20,556).

Aviva Pension Scheme – Defined Contribution Scheme

The main scheme operated by the Company, for those who are not eligible to join the NHS scheme, is administered by Aviva and is a group personal pension scheme with defined contribution rules. The scheme was set up in 2008 with both a flexible contribution rate from the employer and an opportunity for employees to contribute via a salary sacrifice arrangement which the Trustees felt fairly reflected a modern pension scheme for its employees. Since May 2014, this scheme has been used as the Company's Auto Enrolment Scheme.

The Company's contributions to the scheme in the current year based on a contribution rate of up to 13% of pensionable pay (2020: up to 13% of pensionable pay). The pension costs for the year ended 31 March 2021, as included in the Statement of Financial Activities, amounted to £164,888 (2020: £173,399). There was a balance owing to the scheme as at 31 March 2021 of £18,362 (2020: £18,409).

11. Fixed assets – Intangible (Group & Charity)

	Computer software £	Total £
Cost		
At 1 April 2020	31,743	31,743
Additions in year	-	-
Transfer to OUH	(24,082)	(24,082)
Disposals in year	-	-
At 31 March 2021	<u>7,661</u>	<u>7,661</u>
Amortisation		
At 1 April 2020	25,710	25,710
Charge for the year	1,532	1,532
Transfer to OUH	(24,082)	(24,082)
Eliminated on disposal	-	-
At 31 March 2021	<u>3,160</u>	<u>3,160</u>
Net book value		
At 31 March 2021	<u>4,501</u>	<u>4,501</u>
At 1 April 2020	<u>6,033</u>	<u>6,033</u>

All of the above assets are used for Charitable purposes.

12. Fixed assets – Tangible (Group & Charity)

	Freehold land and buildings £	Leasehold improvement £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2020	2,831,171	61,098	792,545	37,067	3,721,881
Additions in year	-	-	15,889	8,998	24,887
Transfer to OUH	-	-	(707,180)	-	(707,180)
Disposals in year	-	-	(37,022)	(3,250)	(40,272)
At 31 March 2021	<u>2,831,171</u>	<u>61,098</u>	<u>64,232</u>	<u>42,815</u>	<u>2,999,316</u>
Depreciation					
At 1 April 2020	1,113,962	54,037	626,008	33,001	1,827,008
Charge for the year	56,236	2,800	49,557	4,928	113,521
Transfer to OUH	-	-	(590,179)	-	(590,179)
Eliminated on disposal	-	-	(37,022)	-	(37,022)
At 31 March 2021	<u>1,170,198</u>	<u>56,837</u>	<u>48,364</u>	<u>37,929</u>	<u>1,313,328</u>
Net book value:					
At 31 March 2021	<u>1,660,973</u>	<u>4,261</u>	<u>15,868</u>	<u>4,886</u>	<u>1,685,988</u>
At 1 April 2020	<u>1,717,209</u>	<u>7,061</u>	<u>166,537</u>	<u>4,066</u>	<u>1,894,873</u>

Land with a value of £20,000 (2020: £20,000) is included in Freehold land and buildings and is not depreciated. All of the above assets are used for Charitable purposes.

13. Investments

	Fixed Interest £	Listed equities at market value £	Group total £	Unlisted £	Charity total £
Fair value at 1 April 2020	570,525	1,472,081	2,042,606	1	2,042,607
Additions	339,319	241,660	580,979	-	580,979
Disposals	(351,419)	(1,163,622)	(1,515,041)	-	(1,515,041)
Revaluation during the year	(38,425)	258,281	219,856		219,856
Fair value at 31 March 2021	520,000	808,400	1,328,400	1	1,328,401
Cash held in investments			1,919,403		1,919,403
Net book value at 31 March 2021			3,247,803		3,247,804
Fair value at 31 March 2020	570,525	1,472,081	2,042,606	1	2,042,607
Cash held in investments			717,986		717,986
Net book value at 31 March 2020			2,760,592		2,760,593

The historical cost of Listed Equity Investments included above at market value is £1,102,367 (2020: £2,036,429).

14. Subsidiary undertaking

The Company owns the whole of the issued ordinary share capital of Katharine's Cupboard Limited, a company registered in England with company number 06297831. The registered office address is East End, Adderbury, Banbury, Oxford, OX17 3NL. The company is non trading.

The aggregate of the assets, liabilities and reserves was:	2021 £	2020 £
Assets	23,506	23,506
Liabilities	(23,505)	(23,505)
Reserves	1	1

The amounts owed to the parent undertaking are shown in note 15.

15. Debtors

	The Group		The Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	550,549	357,589	550,549	357,589
Other debtors	16,147	16,827	16,147	16,827
Prepayments & accrued income	335,968	318,079	335,968	318,079
VAT recoverable	127,937	50,252	127,937	50,252
Amount owed by group undertaking	-	-	1,508	1,508
	1,030,601	742,747	1,032,109	744,255

16. Creditors: Amounts falling due within one year

	The Group		The Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	68,191	138,302	68,191	138,302
Taxation and social security	61,857	58,919	61,857	58,919
Other creditors	42,856	66,028	42,856	66,028
Accruals	196,215	80,154	196,215	80,154
Deferred income (note 17)	110,716	434,220	110,716	434,220
	<u>479,835</u>	<u>777,623</u>	<u>479,835</u>	<u>777,623</u>

17. Deferred Income – Group & Charity

	The Group		The Charity	
	2021	2020	2021	2020
	£	£	£	£
Balance at the beginning of the year	434,220	195,742	434,220	195,742
Amount released to income in the year	(372,337)	(195,542)	(372,337)	(195,742)
Amount deferred in the year	48,833	434,020	48,833	434,220
Balance at the end of the year	<u>110,716</u>	<u>434,220</u>	<u>110,716</u>	<u>434,220</u>

Lottery income received in advance is deferred to the date of the lottery draw. In 2020 statutory income of £300,000 was deferred to match with the timing of service delivery.

18 (a) Analysis of net assets between funds – current year

	General unrestricted	Restricted funds	Total funds
	£	£	£
Intangible assets	4,501		4,501
Tangible assets	1,685,988		1,685,988
Investments	3,247,803		3,247,803
Net current assets	451,541	625,875	1,077,416
Net assets at 31 March 2021	<u>5,389,833</u>	<u>625,875</u>	<u>6,015,708</u>

18 (b) Analysis of net assets between funds - prior year

	General unrestricted	Restricted funds	Total funds
	£	£	£
Intangible assets	6,033	-	6,033
Tangible assets	1,848,794	46,079	1,894,873
Investments	2,760,592	-	2,760,592
Net current assets	607,856	147,433	755,289
Net assets at 31 March 2020	<u>5,223,275</u>	<u>193,512</u>	<u>5,416,787</u>

19 (a) Movement on funds – current year

	As at 1 April 2020 £	Income £	Expenditure & Losses £	Transfers and Gains £	As at 31 March 2021 £
Restricted funds:					
Hospice Staffing	50,437	10,150	(46,576)	-	14,011
Patient Welfare	287	1,000	(1,287)	-	-
Chapel	1,152	-	(530)	-	622
Equipment	59,443	13,495	(19,237)	(38,632)	15,069
Projects	75,000	-	(16,321)	-	58,679
Grounds and Gardens	7,193	3,740	(8,439)	-	2,494
Intangible Funding	-	49,071	(49,071)	-	-
OUH Capital	-	535,000	-	-	535,000
Total restricted funds	<u>193,512</u>	<u>612,456</u>	<u>(141,461)</u>	<u>(38,632)</u>	<u>625,875</u>
Unrestricted funds:					
General funds	5,223,275	4,307,804	(4,490,767)	349,521	5,389,833
Total funds	<u>5,416,787</u>	<u>4,920,260</u>	<u>(4,632,228)</u>	<u>310,889</u>	<u>6,015,708</u>

19 (b) Movement on funds – prior year

	As at 1 April 2019 £	Income £	Expenditure & losses £	Transfers and Gains £	As at 31 March 2020 £
Restricted funds:					
Hospice Staffing	25,568	86,756	(61,887)	-	50,437
Patient Welfare	404	-	(117)	-	287
Chapel	1,827	-	(675)	-	1,152
Equipment	53,784	13,860	(8,201)	-	59,443
Projects	-	83,175	(8,175)	-	75,000
Grounds and Gardens	7,193	180	(180)	-	7,193
Intangible Funding	-	70,797	(70,797)	-	-
Total restricted funds	<u>88,776</u>	<u>254,768</u>	<u>(150,032)</u>	<u>-</u>	<u>193,512</u>
Unrestricted funds:					
General funds	5,993,560	3,977,641	(4,360,082)	(387,844)	5,223,275
Total funds	<u>6,082,336</u>	<u>4,232,409</u>	<u>(4,510,114)</u>	<u>(387,844)</u>	<u>5,416,787</u>

Fund Descriptions and policy

The full reserves policy is provided in the Trustees' report. Overall, the Charity needs to retain £2.3m of free reserves to satisfy the full on-going reserves requirement. This will enable Katharine House Hospice Trust to manage short term losses of statutory or fundraising income and provide sufficient time to plan any changes required to future service delivery.

Restricted Funds:

Hospice Staffing Fund – This fund represents donations received with the specific request that they be used to defray the cost of Hospice staffing. The majority of donations received during the year were for Physiotherapy. Not all these sums were called upon through the remainder of the year and, therefore, are carried forward.

Patient Welfare Fund – This fund represents donations towards equipment and projects that enhance patient wellbeing and welfare. This includes Art Room supplies, massage and therapy supplies, musical instruments, games, and CDs.

Chapel Fund – This fund represents monies given to us for use by the chaplain in defraying certain expenses incurred in running of our chapel.

Equipment Fund – This fund is for donations given towards the purchase of new equipment. This year, funding was received towards the cost of a reclining chair.

Projects – This fund represents donations received towards the cost of projects.

Grounds & Gardens Fund - The fund represents donations towards the upkeep of our grounds and gardens, which help create an atmosphere of peace and tranquillity at the Hospice for all those who come to us.

Intangible Funds - The fund represents the provision of a Specialist Registrar (£49,071) by the Oxford Radcliffe Hospitals Trust. No direct charge is made to the Hospice for these services, but this treatment is felt to illustrate more fairly the costs involved in the provision of palliative care services by the Hospice.

Oxford University Hospital Fund – This fund represents income received from Oxford University Hospitals NHS Foundation Trust to cover future capital works and transition expenses.

Unrestricted Funds:

General Fund - This fund recognises the need to protect Hospice services and the high level of costs incurred by Katharine House alongside the challenges faced by all within the hospice sector of maintaining and building both statutory and fundraising income. This fund will continue to be treated as unrestricted funding, in line with the wider Charity sector.

20. Operating lease commitments payable as a lessee

The Group's total future minimum lease payments under non-cancellable operating leases was as follows:

	Property	
	2021	2020
	£	£
Less than one year	88,333	94,436
One to five years	194,746	234,992
Over five years	52,833	91,064
	<u>335,912</u>	<u>420,492</u>

21. Commitments

As at 31 March 2021, the Group had no capital commitments (2020: £nil).

On 31st March 2021 Katharine House Hospice Trust (KHH) entered into an agreement with Oxford University Hospitals NHS Trust (OUH), to transfer the provision of hospice and palliative care services currently provided by KHH to OUH. KHH agreed to fund OUH £1.4m each year over the next two years, funded from ongoing fundraising activities and reserves.

22. Contingent liabilities

As at 31 March 2021 the Group had no contingent liabilities (2020: £nil).

23. Related party transactions

As at 31 March 2021 the sum of £1,509 was owed by Katharine's Cupboard Limited to The Katharine House Hospice Trust (2020: £1,509).

24. Parent Company/ Charity

The parent Charity's gross income and the net result for the year was as follows:

	2021	2020
	£	£
Gross income	4,920,259	4,141,220
Result for the year	598,921	(665,549)

25. Taxation

The Charity is exempt from corporation tax as all its income is Charitable and applied for Charitable purposes. The Charity's trading subsidiary, Katharine's Cupboard Ltd, did not trade during the year.

Katharine House Hospice
Aynho Road, Adderbury, Banbury OX17 3NL

Reg. Charity No 297099

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