



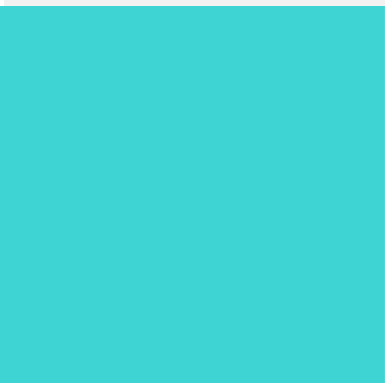
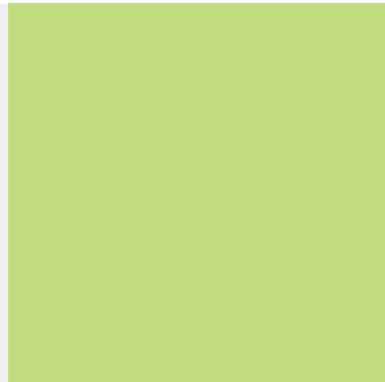
**KATHARINE  
HOUSE  
HOSPICE**

# Annual Report

## and Financial Statements

for the year ending 31 March 2024

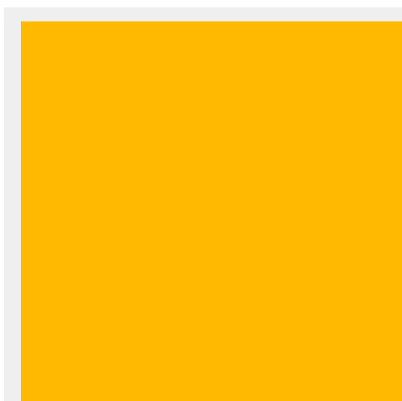
**Katharine House Hospice Trust  
(Company limited by guarantee)  
Company No. 02133391  
Registered Charity No. 297099**



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“ You truly made an  
unbearable time  
bearable.”



# Reference and Administrative Details

<b>Registered name:</b>	Katharine House Hospice Trust
<b>Status:</b>	<p>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 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>
<b>Governing document:</b>	The company was established under Memorandum and Articles of Association which established the objects and powers of the charitable company.
<b>Company number:</b>	02133391 (registered in England and Wales)
<b>Charity number:</b>	297099
<b>Registered office:</b>	Aynho Road, Adderbury, Banbury OX17 3NL
<b>Trustees:</b>	
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	
<b>Senior Leadership Team:</b>	
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.

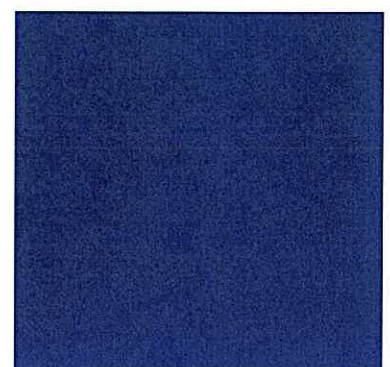
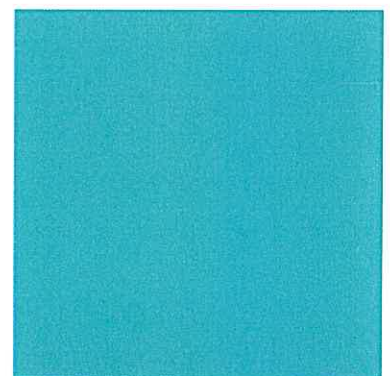
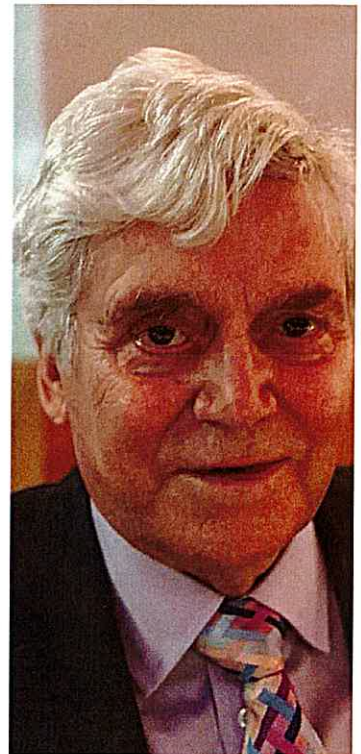
Perhaps the best indicator of our success in enhancing our beneficiaries' experience has been the refurbishment of the Inpatient Unit. Delivered on time and on budget, the improvement to an already restful and peaceful environment has been significant. Our thanks to the OUH staff in particular who managed 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

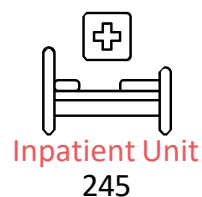
Although fundraising continues to be very challenging for so many charities, in 2023-24 Katharine House Hospice experienced year-on-year growth in nearly all fundraising lines, with two exceptions. Firstly, lottery income, which has been in slow decline for a few years but started responding to a new 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.



“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 compassionate 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>	<u>-2.8%</u>

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

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	£	£
<b>Fixed assets:</b>			
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
<b>Current assets:</b>			
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>
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	16	<u>(557,758)</u>	<u>(582,718)</u>
<b>Net current assets</b>		345,590	1,031,438
<b>Total net assets</b>	18	<u>5,513,672</u>	<u>5,956,635</u>
<b>Funds:</b>			
Restricted income funds	19	15,218	854,624
Unrestricted & designated funds	19	5,498,454	5,102,011
<b>Total funds</b>	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
		£	£
<b>Cash flows from operating activities</b>			
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
<b>Net cash from operating activities</b>		<b>(763,584)</b>	<b>436,732</b>
<b>Cash flows from investing activities:</b>			
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)
<b>Net cash (used in) investing activities</b>		<b>83,065</b>	<b>(17,418)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(680,519)</b>	<b>419,314</b>
Cash and cash equivalents at the beginning of the year		<b>1,343,431</b>	<b>924,117</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>662,912</b>	<b>1,343,431</b>
<b>Cash and cash equivalents are held as follows:</b>			
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
<b>Cash and cash equivalents at the end of the year</b>		<b>662,912</b>	<b>1,343,431</b>

## 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%
-------------------	-----

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 held 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**

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

**3. Income from charitable activities**

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Fees & Grants	84,276	51,173	<b>135,449</b>	169,267	53,275	222,542
	<u>84,276</u>	<u>51,173</u>	<u><b>135,449</b></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	-	<b>1,024,975</b>	894,736	-	894,736
<b>Total Retail</b>	<u>1,024,975</u>	<u>-</u>	<u><b>1,024,975</b></u>	<u>894,736</u>	<u>-</u>	<u>894,736</u>
Lottery	162,080	-	<b>162,080</b>	165,038	-	165,038
Other fundraising income	238,259	-	<b>238,259</b>	201,837	-	201,837
<b>Total other trading activities</b>	<u>400,339</u>	<u>-</u>	<u><b>400,339</b></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	-	<b>700</b>	10,441	-	10,441
Finance services	9,167	-	<b>9,167</b>	-	-	-
Profit on disposal of fixed assets	-	-	-	14,123	-	14,123
	<u>9,867</u>	<u>-</u>	<u><b>9,867</b></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	-	<b>91,799</b>	88,524	-	88,524
Interest - Fixed	-	-	-	759	-	759
Interest Securities						
Interest – Deposits	<u>29,297</u>	<u>-</u>	<u><b>29,297</b></u>	<u>20,438</u>	<u>-</u>	<u>20,438</u>
	<u>121,096</u>	<u>-</u>	<u><b>121,096</b></u>	<u>109,721</u>	<u>-</u>	<u>109,721</u>

## 6. Total expenditure

6. Total expenditure		Retail	-----Raising Funds-----			Charitable		
	Basis of Allocation	Charity shops	Charity lottery	Fund Raising	Investment income	Charitable activities	2024 Total	2023
		£	£	£	£	£	£	£
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	<b>1,013,496</b>	921,946	24,629	946,575
Retail activities	840,219	-	<b>840,219</b>	772,497	-	772,497
Charitable activities	1,482,532	61,331	<b>1,543,863</b>	1,463,779	40,090	1,503,869
	<b>3,289,481</b>	<b>108,097</b>	<b>3,397,578</b>	<b>3,158,222</b>	<b>64,719</b>	<b>3,222,941</b>

\*Oxford University Hospitals NHS Foundation Trust

## 7. Expenditure on Charitable activities

	Basis of Allocation	2024 £	2023 (restated) £
<b>Costs directly allocated to Charitable activities:</b>			
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
		<b>1,474,067</b>	<b>1,441,539</b>
<b>Support costs allocated:</b>			
Hospice communications	Hours	38,981	31,515
Depreciation	Floor	30,815	30,815
<b>Total expenditure</b>		<b>1,543,863</b>	<b>1,503,869</b>
<b>Charitable expenditure by service</b>			
		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
<b>Total expenditure (all Services)</b>		<b>1,543,863</b>	<b>1,503,869</b>

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	-	-
	<b>=====</b>	<b>=====</b>



## 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 £
<b>Cost</b>		
At 1 April 2023	271	271
Additions in year	-	-
Disposals in year	-	-
At 31 March 2024	<u>271</u>	<u>271</u>
<b>Amortisation</b>		
At 1 April 2023	271	271
Charge for the year	-	-
At 31 March 2024	<u>271</u>	<u>271</u>
<b>Net book value</b>		
<b>At 31 March 2024</b>	<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 £
<b>Cost</b>					
At 1 April 2023	2,831,171	60,803	144,209	18,420	<b>3,054,603</b>
Additions in year	-	8,606	10,063	-	<b>18,669</b>
Disposals in year	-	-	(20,159)	-	<b>(20,159)</b>
<b>At 31 March 2024</b>	<b>2,831,171</b>	<b>69,409</b>	<b>134,113</b>	<b>18,420</b>	<b>3,053,113</b>
<b>Depreciation</b>					
At 1 April 2023	1,282,644	36,216	71,371	15,834	<b>1,406,065</b>
Charge for the year	56,223	4,384	14,580	1,150	<b>76,337</b>
Eliminated on disposal	-	-	(20,159)	-	<b>(20,159)</b>
<b>At 31 March 2024</b>	<b>1,338,867</b>	<b>40,600</b>	<b>65,792</b>	<b>16,984</b>	<b>1,462,243</b>
<b>Net book value:</b>					
<b>At 31 March 2024</b>	<b>1,492,304</b>	<b>28,809</b>	<b>68,321</b>	<b>1,436</b>	<b>1,590,870</b>
At 1 April 2023	1,548,527	24,587	72,838	2,586	<b>1,648,538</b>

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	<b>3,249,611</b>
Additions	-	393,177	<b>393,177</b>
Disposals	(6,000)	(344,827)	<b>(350,827)</b>
Revaluation during the year	-	243,602	<b>243,602</b>
Fair value at 31 March 2024	9,000	3,526,563	<b>3,535,563</b>
Cash held in investments			<b>41,649</b>
Net book value at 31 March 2024			<b>3,577,212</b>
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

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
<b>Net assets at 31 March 2024</b>	<u><b>5,489,619</b></u>	<u><b>8,835</b></u>	<u><b>15,218</b></u>	<u><b>5,513,672</b></u>
*Free reserves	<u><b>3,898,749</b></u>	<u><b>8,835</b></u>	<u><b>-</b></u>	<u><b>3,907,584</b></u>

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

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

## 19 (a) Movement on funds – current year

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

\*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 £
<b>Restricted funds:</b>					
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
<b>Total restricted funds</b>	<b>853,068</b>	<b>66,275</b>	<b>(64,719)</b>	<b>-</b>	<b>854,624</b>
<b>Unrestricted funds:</b>					
General funds	5,754,424	2,698,256	(3,158,222)	(192,447)	5,102,011
<b>Total funds</b>	<b>6,607,492</b>	<b>2,764,531</b>	<b>(3,222,941)</b>	<b>(192,447)</b>	<b>5,956,635</b>

### 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:

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

## **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 transaction.

### **24. Taxation**

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



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[www.khh.org.uk](http://www.khh.org.uk)