


ST CATHERINE'S HOSPICE



ST CATHERINE'S HOSPICE ANNUAL REPORT AND ACCOUNTS 2022 -23

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INTRODUCTION FROM THE CHAIRMAN AND CHIEF EXECUTIVE

40 years ago, and after much hard and dedicated work by a group of local people, the Queen Mother laid the St Catherine's Hospice foundation stone at our current site in Crawley. 2023 is our 40th anniversary year and therefore fitting that it is also the year we will move on from our current site to our new home, just 2 miles away, at Pease Pottage.



Terry O'Leary Chairman

That we are able to move to a world class and bespoke new home, focused entirely on the needs of people who have been bereaved or who have life limiting diseases is a testament to the work of many hundreds of staff and volunteers whose contributions across the past 40 years have sustained us and helped build our reputation for outstanding care. The new opportunity ahead is only possible as we have been able to build a relevant role supporting our valued statutory (health and social care) partners alongside whom we work.

This wonderful opportunity draws on the particular contributions of the people who have so generously donated gifts in kind such as land, labour, tools, kit and the wide range of items that support our many and varied activities in care, support services and in growing our income.



Giles Tomsett Chief Executive

In this regard, we pay special mention to Bill Bridges and family, Thakeham Homes, the Longley Family, the New Horizons Appeal committee (and its many supporters), to the Kleinwort family, the Verity Waterlow Endowment, the Bryan and June Amos Foundation and to those people, foundations and trusts who have stood with us over these past 40 years. Indeed, there are the many thousands of donors (individuals and companies) who have helped ensure that our services have been able to grow and thrive, donating sums of pennies to millions of pounds as well as their labour and intellectual energies. Within this, we recognise the £6m left to us by the local businessman, John Shemeld whose generosity in 2013 has proven so transformative.

In this report you will read more on our planned move and our efforts to link the story of the past with all that is yet to come at Pease Pottage. We share another year of progress with all of our services, including our work to build closer integration with local statutory partners.

You will read more on our financial performance which, even in the face of the cost of living crisis, has performed reasonably well thanks to the hard work of our income generation team and the largesse of so many – once again!



We draw your attention to the role of our people both employees and volunteers who have achieved so much together. The health and social care system remains under greater pressure than we have ever seen as it emerges from the impacts of the pandemic. We are feeling the inevitable squeeze that arises from the resulting cost of living crisis and we experience the ongoing difficulty recruiting into key roles from a scarce pool (most notably expert clinicians). In the face of these headwinds, our people have again responded with professionalism and a commitment to our shared values. We have grown our teams (during a challenging time for recruitment and retention) and volunteers (over 300 new in this last year!) and it is to their collective contribution that we draw your attention.

We may be bringing to the local health and care system a larger facility but the Board and Management community recognises that the utilisation of this can only be sustained if our service model and contribution is valued by both local people and the way it best supports local healthcare. During the year ahead, we will therefore work diligently to seek agreement to how our contribution is best made in the short to mid-term. Most importantly we must ensure our new, bigger local hospice facility can provide benefit to more people. However we must also bring benefit to those who use our highly valued local NHS services, through the contribution we can make in improving patient flow (avoiding hospitalisation, improving discharge) and patient experiences (right care at right time and in right care environment).

We need to ensure the closest alignment possible with the work of our partners like GPs, district nurses and frailty teams so that local people can get the best of us all.

Our continuing story builds on the shoulders of those many, many people whose efforts we have built upon. To all those who have contributed to our story, past and present, we pay fulsome tribute and most especially to our current staff and volunteers because local charities like St Catherine's Hospice can only remain relevant if we are seen to be able to make a difference in the lives of local people. This contribution is only made possible through the hard work being done to raise funds (through fundraising, retail and in marketing), and our ongoing efforts to deliver effective and efficient support services like information technology, and hospitality.

Our new home at Pease Pottage will be occupied later this year and we look forward to welcoming people to our wards, clinics, counselling and group activities. At the door we will bury a Time Capsule to mark our 40 year story so future generations can reflect on our journey so far. Above this, and in stone, we have recorded our debt to all those who came before – volunteer, staff and supporters. We thank you all.

Terry O'Leary Chairman

Giles Tomsett Chief Executive



OUR VISION

A world where everyone can face death informed, supported and pain free.

OUR MISSION

Pioneering standards in expert care and support for anyone facing death and bereavement.

OUR VALUES

Integral to all that we do:

Human

We treat people with understanding, patience, respect and above all dignity. We are the welcoming smile, the talk over a cup of tea, the human touch.

Courageous

We stand firm, we do not flinch in the face of hard news, but always with humanity, sensitivity and respect for our community.

Energetic

Whether we're out running a fun run or at the hospice greeting our patients, we bring the energy and the optimism to make the most of every day.

Connected

We are not an island, we thrive on partnerships and working with others, we believe we're better and stronger together.

Expert

We are looked up to by our community and peers as the organisation to go to for knowledge, training, best practice and latest techniques.

OUR STRATEGIC AIM:

To provide outstanding care and support to more people underpinned by education and research with a commitment to working in partnership.

PRIORITY 1

DELIVERING CARE

To expertly develop our multidisciplinary teams with tailored, integrated, and effective end of life care, wrapped around people we support and those close to them.

Our success in the year

- We have continued to develop and restructure our care services teams, and those who support them, to ensure that clinical staff have increased time to spend on the delivery of clinical care and to meet the needs of everyone approaching the end of life. Areas of focus include the wellbeing of the people we support and those close to them, and support for those living with frailty and their carers. We are pleased to be working collaboratively with partners on some of these projects, for example the Living Well Longer Initiative in Dorking PCN.
- We have developed new training opportunities and structures to advance nursing practice, and develop expertise in palliative care. For example, the development of the "Palliative Care Award" education programme for healthcare assistants, and a procedure for nurse led admissions on the inpatient unit.



Our future priorities

- In the community we are working towards teams in smaller geographical areas to improve the continuity we can provide to both the people we support and those close to them, and to other community healthcare colleagues.
- We plan to extend the palliative care award to other nursing grades, and to continue to review the training needs of all clinical staff to ensure they develop and sustain their expertise in the palliative care field.

To be expert, developing our clinical governance, quality and effectiveness through best practice, continuous improvement, and efficiency to achieve the highest standards of patient experience and best clinical outcomes.

Our success in the year

- Across the teams we continue to be involved in education and training of healthcare students, doctors in training and external colleagues. This includes successful delivery, in partnership with Surrey Heartlands, of a programme of education about the ReSPECT (Recommended Summary Plan for Emergency care and Treatment) process.
- We have successfully transitioned our electronic patient record to a new software programme "SystemOne" which aligns with some of our local GP surgeries and community nursing teams, and allows integration with other systems used in the community and at East Surrey Hospital. This has improved communication between the teams, ultimately resulting in improved efficiency and care.
- St Catherine's Hospice recognises the importance of participating in research and is currently taking part in a research study called CHELsea II which explores the administration of clinically assisted hydration at the end of life. The study opened to recruitment in December 2022 and at the time of writing this report, five individuals have kindly agreed to participate in the study.

- Our clinical governance structures at the hospice have been redesigned to maximise efficiency and engagement. We are pleased to maintain our CHKS accreditation and CQC outstanding rating.

Our future priorities

With the move to our new premises in mind, we will work towards improving opportunities for people we care for and those close to them to visit the hospice site, including the development of more wellbeing opportunities, outpatient clinics and groups. Meanwhile, for others, we will be exploring ways in which people can access our services nearer to their own home.

Our Measurement and Impact

Providing Excellent Clinical Care:

- Our latest CQC inspection was carried out in 2016 with an overall rating of "Outstanding". We regularly meet with our CQC Relationship Manager to maintain our expertise.
- We are accredited with CHKS (Comparative Health Knowledge System) whose framework informs our internal Quality Management System.
- We provide annual submissions to the NHS Data Security and Protection Toolkit to provide assurance that the hospice is practicing good data security and that personal information is handled appropriately.
- 92% of people, families and carers asked said they would recommend St Catherine's Hospice.
- 100% of families and carers were offered the VOICES bereavement survey.
- We received a total of 11 complaints about our clinical service delivery. Of those 11 complaints, four were partially upheld and none were upheld. 50% of complaints were responded to within the target of 25 days. We recognise this statistic needs improving and are working towards this improvement through staff training, reviewing our incident and complaints software and a renewed focus on our governance procedures.



SARAH'S Story

Sarah Webster was diagnosed with asthma in 2007 but her breathing started to deteriorate rapidly in 2017. It got so bad she struggled to breathe when she was doing anything. The Royal Brompton Hospital confirmed her palliative diagnosis and she was referred to St Catherine's.

"The moment the consultant at The Brompton saw me she knew it wasn't asthma. Instead, I was diagnosed with Chronic Hypersensitivity Pneumonitis, a form of lung disease that I now know was caused by a severe reaction to mould and damp in the flat where I was living.

"I was just 40 years old, and it was life changing news.

"After not responding well to treatment, the hospital told me that I might only have a year left of my life. It was at that point I was referred to St Catherine's. A lovely nurse came out to see me and reassured me that palliative care did not mean end of life care.

"After that first visit, I had lots of contact with the hospice – they called me once a month and they helped to get my morphine levels correct so that I could keep moving. I decided if I didn't have long left, I just had to make the best of it. I've been determined to help others through my illness and raise awareness of the dangers of damp.

"Not everyone living with damp will end up with my condition, but you don't know how susceptible you are until it's too late. If I can help just one person, then I'll be pleased.

"Thankfully I was put on chemotherapy, and it turned my life around. My lung capacity went from 24% to 40%.

"It's now five years since I was diagnosed and the hospice has been great. Before lockdown, I had acupuncture, and I've seen the doctors a couple of times to help my pain management when it gets really bad.



"I now see Jo on the Therapy Team, who has helped me to build up my strength and control the pain through stretches and exercise.

"Jo is one of the most amazing things in my life. She motivates me to keep going and think about myself more. When I came a couple of weeks ago, I had totally lost sight of myself. I hadn't looked after myself and I hadn't spent time on self-care. I didn't realise how lost I was.

"Being sick is a full-time job. It is so hard – fitting in my appointments, managing my tiredness, my pain and my oxygen.

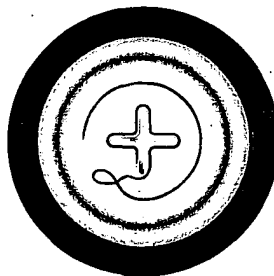
"Jo puts me back on track and makes me feel more motivated to do my exercises. Keeping active is so important and I try to get between 6,000-11,000 steps every day so I can keep moving and walk my beloved dogs, Albert and Arthur.

"I feel Jo and the St Catherine's staff all genuinely care and that can be rare these days. I tell Jo how amazing she is every time I see her!"

"The most unique thing about working at St Catherine's is the time it gives you to be holistic and person-centred. It's a gift to spend time with those people, listen to what they need, action it and then go that extra mile. You can help them to feel important and empowered and show them that they matter, because they really do."

Jo Coltart, Senior Specialist Therapist

2,150 PATIENTS AND FAMILIES
WERE SUPPORTED IN THE
COMMUNITY WITH 246 IN
THE INPATIENT UNIT



WE PROVIDED 3,902 DAYS OF
INPATIENT CARE, WITH AN
AVERAGE BED OCCUPANCY
LEVEL OF 87% AND AN
AVERAGE LENGTH OF STAY
OF 11 DAYS

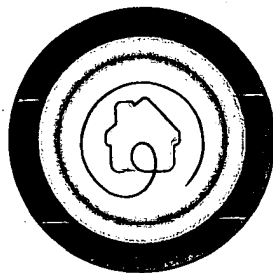


OUR COMMUNITY
TEAMS MADE 3,147
HOME VISITS AND 26,378
TELEPHONE CALLS TO
PATIENTS, CARERS AND
PROFESSIONALS TO
SUPPORT CARE AT HOME

REACHING
THOSE WHO
NEED US



WE MADE 2,891 VISITS
TO PEOPLES' HOMES
SUPPORTING THEM IN
PRACTICAL CARE



WE PROVIDED 185
PEOPLE WITH SOCIAL
CARE SUPPORT



Supporting our people, families and carers through death:

- 67% of people died where they told us they wanted to die.
- Only 13% of the people we supported died in hospital.
- We provided 2,044 one-to-one counselling sessions.

Providing individualised support

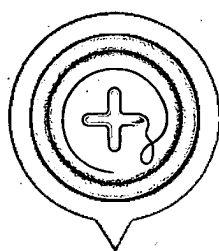
- 100% of people we cared for received an individualised assessment and care plan.
- 1,882 people accessed our wellbeing services.
- Multi disciplinary team support was available to 100% of people referred to us and those close to them.

Harm free care

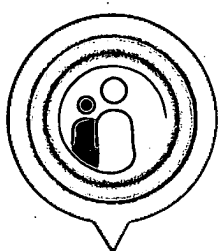
- We have had no acquired MRSA or COVID cases in the year. Our last acquired COVID case was in January 2021 and we were able to reopen our inpatient facility to new admissions in two weeks.

- We received the report for our last external Infection Control audit in July 2022. All resulting actions were completed. We also completed an internal audit against the new national Infection Prevention and Control manual in December 2022.
- All employees and volunteers are required to attend safeguarding training and our safeguarding team are on hand to offer continued support across the organisation.
- On the inpatient unit, there were two falls that resulted in moderate harm to a patient and one fall that resulted in severe harm to a patient.
- We submitted no Deprivation Of Liberty Safeguards applications.
- Our training package for Duty of Candour was implemented and compliance with staff completion of this is monitored in governance meetings.

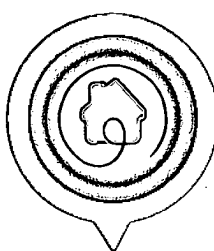
The people we care for:



62% HAD
A CANCER
DIAGNOSIS



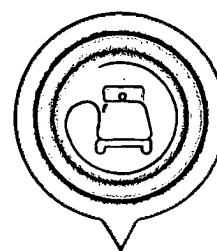
MALE = 46%,
FEMALE = 54%



43% LIVE IN
SURREY AND
57% LIVE IN
SUSSEX



48% OF OUR
PATIENTS WERE
AGED 75 OR OVER
AND 19% OF OUR
PATIENTS WERE
AGED UNDER 55



6% OF OUR
PATIENTS HAD A
FRAILTY/DEMENTIA
DIAGNOSIS

PRIORITY 2

OUR VOLUNTARY INCOME

To build back and maximise our income opportunities to support the organisation in the delivery of our services enabling exceptional standards of care and outcomes.

FUNDRAISING INCOME

Our successes in the year

- We were delighted to welcome back our flagship event, the Midnight Walk, with over 500 walkers taking part and raising over £100,000, and the return of our Tree of Light remembrance service, which we held in person for the first time since 2019.
- We launched a new face-to-face regular giving campaign, acquiring new donors whose regular gift will support the final funds needed to finish building our new hospice at Pease Pottage, as well as providing long term sustainable income for years to come.

- We successfully secured over £1million in the year from Trusts and Foundations, for the first time in our history.
- We celebrated the lottery raising over £15 million since it began in 1998.
- We won an industry award (Digital Fundraising Event of the Year, Fundraising Everywhere) for our 36-hour crowdfunding appeal for the New Hospice, which raised £996k including gift aid.
- We invested in the development of our Partnerships team, enabling us to grow and enhance our engagement with individuals and organisations invested in funding transformational development.



Our future priorities

- We will continue to build back and maximise our income opportunities to support the organisation in the delivery of our services, enabling exceptional standards of care.
- We will look for ways to attract new donors across the communities we serve. We want everyone in our community to know about St Catherine's and want to support us. We will use events and face to face activities to engage with communities across our patch and to demonstrate our commitment to everyone in West Sussex and East Surrey.
- We will maximise our reach through conducting further research to better understand the diverse people, places, influencers and organisations within the area we serve. We will use this to inform the activity we do with our community.
- We will commit to being insight led when building our Income Generation and Marketing plans and when making key planning decisions.

RETAIL INCOME

Our successes in the year

- We launched a new flagship shop in Carfax, Horsham, in February 2023 and this is proving to be very successful in terms of raising money and attracting new volunteers to St Catherine's.

- We have introduced a new pricing strategy to our shops to ensure we are in line with the current marketplace and maximising all income potential from the wonderful stock donated to us by our community.

Our future priorities

- We will continue to review our retail model and learn from the success of our new Horsham shop.

Our measurement and impact

- We are registered and regulated by the Fundraising Regulator and Gambling Commission and fundraise in accordance with the Charities Act.
- We received and managed four complaints in the year about our fundraising activity against 12 complaints in the prior year (2021/22).
- We raised £7m of voluntary income in the year.
- For every £1 spent on fundraising activities we raised £4.70.
- Retail sales were up 5% on 2021-22, with 335,000 items sold in our shops and through ecommerce.
- We served 190,000 Customers and increased our gift aid income by 22.5% on 2021-22.
- We made over 2,000 deliveries and collections of furniture and donations.



HORSHAM CHARITY SHOP *Story*

One fantastic way the local community supports us is through our network of 14 shops across West Sussex and East Surrey.

In February we unveiled our exciting new store in the heart of Horsham town centre.

Previously situated in Bishopric, our new larger shop is located in Horsham's Carfax, giving new life to the unit that was once the town's Post Office, making it much more visible for passers-by.

The shop proudly incorporates "Catherine's Bridal" selling a huge array of pre-loved wedding dresses as well as occasion outfits. At a time where shopping sustainably is increasingly popular, we hope the new location will attract brides-to-be to come to find 'the dress' as well as students looking for their perfect prom outfit.

The shop also sells preloved books, clothing and bric-a-brac, and has a dedicated section at the rear selling secondhand furniture.

Dawn our Horsham Shop Manager said, "We are delighted our new store is now open for business, and we are so grateful for the warm welcome we've received in our new Horsham home!

"As a local charity, the community really cares about St Catherine's. We do have loyal customers who are searching for a bargain, but a lot of our shoppers and donors also have a personal connection to the hospice and it's wonderful to meet them and hear their own experiences of the charity.

"This is the fourth shop St Catherine's have had in the town - but the increased size of our new shop is great. We've been able to expand Catherine's Bridal to make it a showstopping feature of the store. With its own look and feel, and its own changing room, brides now have the space they need to find their perfect dress.

"We hope our amazing black-tie dresses will also encourage local residents to consider buying their occasion outfits from us, with prices starting from just £10."



PRIORITY 3

OUR PEOPLE

To maximise professional and personal achievement of our people through focussed and recognised contribution which thrives in a value-led culture, where diversity, respect, initiative, openness and creativity and growth are embraced.

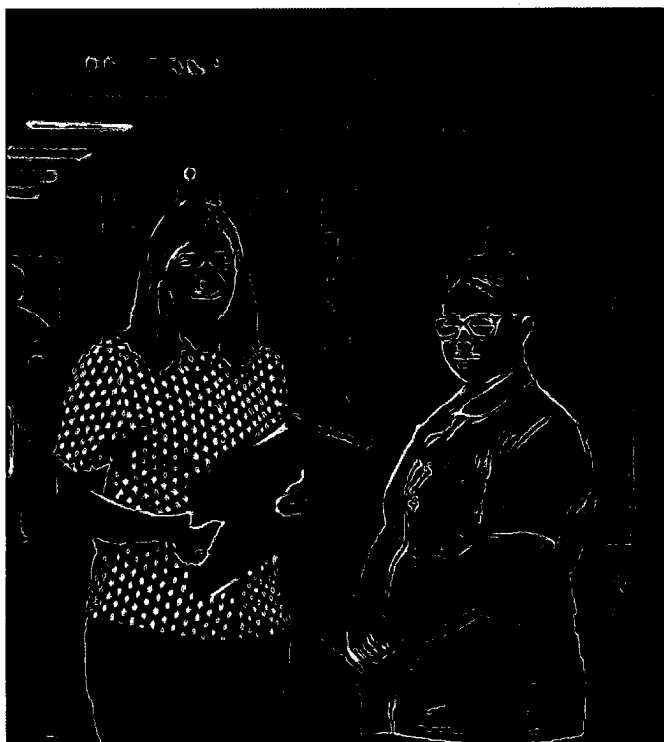
Our successes in the year

- We have actively engaged and involved employees in decisions relating to change that may impact on them.
- We reviewed our bereavement leave policy to not only provide more flexibility but to acknowledge that we all deal with death and dying differently.
- We offered wellbeing checks, provided access to a range of advice and support, and run smoking cessation workshops with Crawley Wellbeing.
- We introduced a menopause policy and provided training to managers.
- We have a full suite of wellbeing support for all our employees from financial support to mental health first aiders.

- We introduced the role of paramedic into the community team, diversifying the skills within the team to improve the care we provide.

Our future priorities

- We will continue to develop medium-term to long-term plans to address nursing staff pressures and identify these within the 'Grow our Own Framework', to include the development of future Nursing roles.
- We have identified training requirements that will be delivered as part of the transition to our new buildings to keep our people and those we support safe.
- We are continuing with our work on apprenticeships and now looking to expand this further into retail.
- We will develop a robust Succession Planning Programme and Talent Management Programme that identifies future leaders within the organisation and develops capabilities and expertise beyond their current remit.
- We will develop our recruitment and retention strategy with a focus on transition to new premises and service delivery.
- We will review our lone working arrangements and implement changes to ensure all employees and volunteers feel safe when working in our community settings.
- We will review and refresh the Occupational Health Service specification and identify whether alternative provision might better meet our needs.
- We will provide 'Planning for Retirement' workshops to better prepare people for life after work.



Our measurement and impact

From our employee survey we identified:

- 80% of staff completed the survey.
- 92% of staff enjoy working at St Catherine's.
- 95% of staff believe in our aims.
- 94% of staff understand what we are trying to achieve.
- 90% of staff would be happy with the standard of care if a friend or relative needed treatment.

EDI - Equality, diversity and inclusion

- We have established an Equality, Diversity, and Inclusion Group and become a Disability Confident Employer.
- We have increased availability of training on: anti racism, LGBTQIA+, learning disabilities, autism awareness.
- We have gathered EDI data on our employees and benchmarked it with the NHS.
- We supported Crawley PRIDE to increase awareness of hospices in the LGBTQIA+ community.

Other

- 76% of employees completed our performance and development review process in the year.
- 86% of employees completed their mandatory training in the year.
- Employee turnover is 23% and absence rate, including work related stress absence, is 4.4%.
- 74% of leavers completed an exit interview which is regularly reviewed and acted upon.

Volunteers

- We had 485 enquiries and recruited 315 new volunteers across fundraising, retail and the hospice.
- We introduced our new Hospice Host role, supporting patients and their loved ones on the ward and set up a new St Catherine's choir.
- We hosted our 2022 Volunteer Awards, celebrating our long service volunteers of between 3-30 years, totalling 730 years of support.
- 51% of our new starters were under 25 years old.



PRIORITY 4

OUR RESOURCES

To optimise value and effective use of charitable funds through effective and efficient use of all company resources.

Our successes in the year

- After an Environmental Health inspection, we have maintained our 5 star rating.
- We reviewed our housekeeping suppliers and have achieved an increase in service delivery and cost saving from the NHS.
- We reviewed our fleet requirements and have sourced a new fleet contract and developed new processes, procedures and policies, whilst creating a training programme and booking system for staff.
- We collaborated with other hospices that have moved into new premises, learning from their experiences and systems to support our move to Pease Pottage.



- We undertook a staff structure review post Covid and continue to review the staffing levels and requirements, as well as planning ahead for the new site.
- We worked with our New Build team to ensure the design of the facilities at both the new hospice and community hub are fit to meet the needs of our service deliver aspirations.
- We conducted an active review of our Malthouse Road site to ensure a safe working environment, while ensuring we do not over invest in the site to manage cost and budgets.

Our future priorities

- We will support the transition to Pease Pottage, working with teams and departments to ensure a smooth operation.
- We will continue to focus on site safety and other requirements of Malthouse Road between now, transition and sale of site.
- We will develop the Community Hub services and build a plan of community engagement activities.
- We will deliver planned works and refurbishments of sites across our retail network.

Our measurement and impact

- We have developed good relationships with Mid Sussex County Council in anticipation of our move to the new premises.
- We continue to support celebration events for those we care for and their families, including weddings, birthdays and special anniversaries.

PRIORITY 5

OUR FUTURE SUSTAINABILITY

We have a forward thinking approach with a strategically aligned business plan developed through our senior managers and executive team, linked to our financial forecast and quarterly directorate objectives, with regular review, to ensure the future sustainability of the organisation.

Our successes in the year

- We are now in the final months of the build of our new hospice and are working closely with our teams to ensure a smooth transition between our current site at Malthouse Road and our new home.
- We have supported the community in providing a route to operating the community hub. We are able to run the café and utilise the meeting rooms as part of the hospice campus.
- We continue to work closely with our statutory partners in West Sussex and East Surrey (where we remain a formal part of the East Surrey NHS Place Provider Alliance), exploring opportunities for greater integration that will improve the experience of those we support as well as delivering efficiencies for the system and our hospice.



- Collaboration with our other hospice neighbours continues with key projects delivering financial and IT support now embedded.
- We have refreshed our current organisation strategy which will be launched shortly, reflecting the significant external factors which have impacted us all since its initial creation in 2018.
- We have welcomed two new members to our senior management team bringing new skills and experience to the organisation.

Our future priorities

- We will finish the build of our new hospice and spend the Autumn and Winter months moving our teams into the building, ensuring seamless care is delivered at all times.
- Complete the sale of Malthouse Road to realise best achievable value for St Catherine's.
- We will continue to explore all and any opportunities to integrate with our statutory partners and review our models of care in light of these conversations.
- We will continue to develop collaborations with other hospices having identified the five key areas of data, education, workforce, NHS liaison and research and continue to explore collaboration in other areas.

Our measurement and impact

- Effectively engaging with our new community at Pease Pottage, delivering the hub successfully, whilst providing opportunities to educate and share with people about the operation of the hospice.
- Providing a new home that offers an environment for our staff and volunteers to be the best they can, supporting those we care for and their loved ones to have the best quality of life at end of life.
- The impact of merger of Health, Safety & Infection Prevention and Control groups, has been a positive move, in terms of improved ability to govern, reduction in staff time commitment across multiple groups and ability to measure successes.

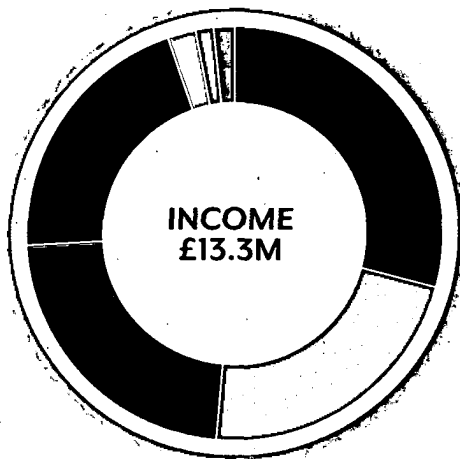
STRATEGIC RISK

As part of our quality framework, we regularly review our operational and strategic risks, understanding that effective risk management is key to the achievement of our strategic and operational objectives. The significant risks currently identified are:

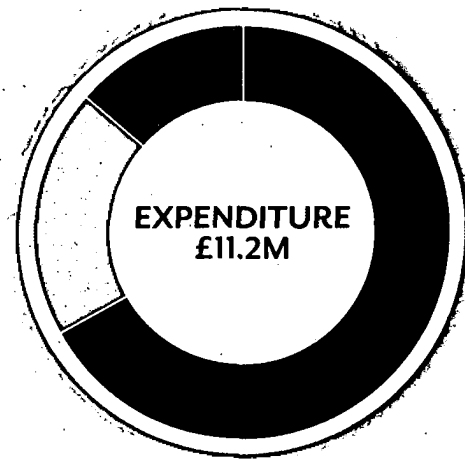
Strategic Risks	Controls and Mitigations
Ineffective board and organisational structures and processes to lead and deliver the organisational mission.	As an independent organisation that seeks to remain recognised as outstanding whilst navigating a significant degree of change in premises and wider system upheaval, ensuring the right skills and culture are operational throughout is key. Our major control mechanism for this is the Integrated Governance Framework. Clear structures and transparent succession plans allow for open and effective utilisation of leadership resources across the organisation.
Failure to meet regulatory requirements.	A full suite of audit and compliance measures are in place, cognisant that cyber and intellectual property matters are now very much at the forefront of organisational compliance and security. The Information Governance structure is being bolstered by senior leadership focus and updated organisational roles alongside the ongoing regulatory assurance audits. Effective insurance is also in place to allow swift and effective access to support should any incidents occur.
A significant failure of patient care.	<p>The highest risk areas of patient care arise from the wider system pressures being faced in terms of demand and the access to the necessary skill base and capacity. Professional registration and audit via parties such as CHKS provide assurance of individual practice.</p> <p>In the face of system pressures, we are working to utilise a wellbeing led model of care supported by multi-disciplinary teams. This allows us to maximise the use of the clinical skills set. As part of a wider care system, we continue to work with our statutory partners to secure integration opportunities. In house we continue to focus on the working environment, progression and development opportunities within roles and appropriate pay and reward packages.</p>
Inability to maintain free reserves to meet current and short-term cash requirements.	<p>Our financial position is modelled with a current and 5 year forecast process aligned with our monthly management accounts reporting and budget holder's review. Income generation streams are routinely monitored and forecasts updated in line with market conditions. Effective engagement with statutory partners means that realistic forecasts are maintained whilst continuing to make the case for sustainable funding models.</p> <p>The risks to new build and transition plans are monitored by a dedicated programme board with the use of a design and build contract to secure the cost envelope for the majority of the project spend.</p>
Failure to operate effectively within the digital environment and innovate.	Our digital maturity is being assessed as we shape our plans to improve our digital utilisation across our service offering. The launch of SystmOne as our Patient Record System allows us to better interact with GP and acute bodies, the development of which will enhance our working practices, providing a more responsive patient experience.

OUR FINANCIAL PERFORMANCE 2022/23

OPERATIONAL INCOME AND EXPENDITURE



- £4.0m Donations
- £3.0m Legacies
- £2.9m Charitable Activities
- £2.8m Trading Activities
- £0.3m Investment Income
- £0.2m Coronavirus Support
- £0.1m Other Income

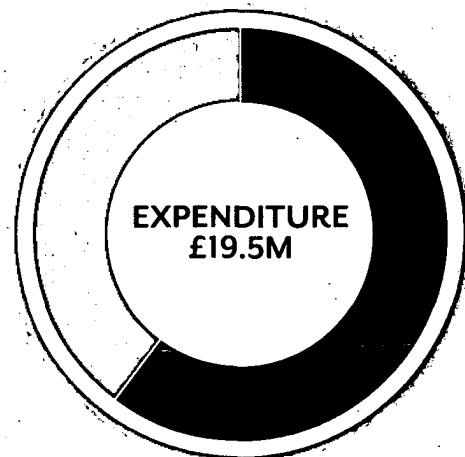


- £7.5m Charitable Activities
- £2.2m Trading Activities
- £1.5m Donations

NEW HOSPICE



- £16.7m Funds Raised
- £1.4m Sale of Current Site
- £0.7m Funds to Raise
- £0.7m Donations Pledged



- £13.4m Expenditure to Date
- £6.1m Remaining Expenditure

Operational Performance

The impact of the pandemic on our operational delivery over the past couple of years has been further heightened by the cost of living crisis where our original projections for fundraising growth have been delayed and current income streams softened. However, this financial year has been supported by increased legacy income and strong retail activity. Our retail shops have benefited from the increasing requirement for “pre-loved” goods, supporting environmental responsibilities. Our new flagship shop in Horsham, which opened in Q4 of this financial year, has proved a success with its early trading results.

Our statutory income was impacted in the year, given the £0.6m of funds brought forward last year to support winter pressures as a result of Omicron.

With the income pressures and our move to Pease Pottage towards the end of 2023, we have focused on rebuilding our teams to support our strategic



direction and long term sustainability, especially with our fundraising and clinical teams, which has posed some pressure on our cost base towards the end of this financial year, which will be closely monitored.

Our resultant net income was £1.8m in the year, noting our underlying position, excluding capital appeal receipts, of £0.1m. Our free general reserves position was £8.4m as at 31st March 2023.

Our New Hospice

The construction of our new hospice, on a design and build contract with Barnes Construction is due to be completed in late 2023 and is on track with a budget of £19.5m.

The majority of funds have now been raised with the final funds due prior to completion raised through our regular giving campaign and further donations.

We are currently working with Crawley Borough Council to sell our current site, providing the final funds required to complete the project.

FINANCIAL OUTLOOK 2023/24

Operational Performance

In support of the transition to our new hospice and future sustainability our focus for FY 2024 will be on income generation and balancing cost efficiency with effective delivery of our services. In support of this we acknowledge that our costs will rise at a proportionally greater rate than income in the short term, in order to allow the longer-term gains aligned to our strategic goals and forecasts.

Our budget expects a loss in the year of £1.2m moving our free general reserves position to £7.2m, which is in accordance with our five-year forecast.

Our New Hospice

The monitoring of our cashflow will be more important than ever as we conclude the build of our new hospice and transition in the latter part of the financial year.

Reserves

St. Catherine's reserves policy is to maintain free reserves at a level that is sufficient to protect services from the potential financial impact of known significant risks over the short to medium term. The focus of this policy is aligned to Free General Reserves as these reserves support operational activities.

The Trustees have agreed that in order to set a relevant free general reserves policy level which is in the charities best interests, a risk centered approach is most valid.

The Trustees recognise that as a healthcare organisation, the risk of full closure is low, given that alternative arrangements would be made to carry out on site services together with the learning from the pandemic where we have quickly adapted our working practices to work from home where possible. Our Business Continuity Plan addresses these scenarios. Therefore, the risk centered approach has not focused on this scenario.

The Trustees regularly review the hospice's strategic risk register which forms part of the Governance Framework.

Our free reserves as at 31st March 2023 were £8.4m, (31st March 2022: £8.3m). The calculation of free reserves is set out in Note 19 to the accounts.

Based on our financial 5-year forecast and likelihood of potential risks / opportunities occurring during that period, the reserves policy requires the organisation to maintain between £2.1m and £4.1m of Free Reserves. Given the current build programme for our new hospice and the changes in cost profile expected as we adapt our services and re-energise our voluntary income streams during this period, the Trustees acknowledge that free reserves are in excess of the policy levels set in the current year and into the next financial year.

The net movement in reserves in the year is set out in Notes 19 to 22 to the accounts.

Market Value of Land and Buildings

Freehold land in Crawley was donated to the hospice and valued at £60,000 by the Directors in December 1983.

Freehold land at Pease Pottage was donated to the hospice in December 2018. The Trustees carried out a valuation, supported by a firm of independent advisors, who valued the land at £1,000,000. The basis of value is at a fair value, as defined within the Financial Reporting Standard FRS102, being "the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

All other freehold land and buildings shown in Fixed Assets in the Balance Sheet are included in the financial statements at cost or open market value if lower. In the opinion of the Directors, the open market value of the freehold land and buildings is not less than the amounts shown in the financial statements.

Investments

The overall objective of the charity for its investments, which represent reserves held consistent with its reserves policy, is to provide financial security and stability, recognising that the charity is exposed to a degree of financial risk due to the variable and uncertain nature of its income streams.

The Trustees have agreed that the charity's assets can be invested widely and should be diversified by asset class, by manager and by security. Asset classes could include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities, and any other asset that is deemed suitable.

The charity seeks to produce the best financial return within an acceptable level of risk. The charity has adopted an ethical investment policy to ensure that its investments do not conflict with its aims or can lead to reputational damage. The investment objective for the long-term fund is returns which over a rolling 5 years achieve of CPI +2%.

The Financial Sustainability Committee has responsibility for agreeing the investment strategy, setting benchmarks and monitoring the investment assets on a quarterly basis.

A formal evaluation of each fund managers' performance and consideration of the need to undertake full market testing is undertaken every 3-5 years.

Note 14 gives further information on the Investment position as at 31 March 2023.

A significant element of the charity's investments are held with Rathbone Investment Management, Sarasin and Partners LLP and CCLA, where investments have been de-risked and held as short term cash deposits to protect funds required for the New Hospice build, of which £9.3m has been withdrawn.

Going Concern

Having reviewed and formally agreed the forecasts and cashflows prepared in February 2023, together with the Executive's business plan, the Trustees believe, to the best of their knowledge, that the charity remains a going concern for at least the 12-18 month period from the date of approval of the financial statements.

Structure, Governance and Management

The directors are also the Trustees of the charity for the purposes of company law and as such are responsible for the management of the hospice's affairs and its future strategy. The Trustees are required to hold at least four Board meetings a year. There are five committees, chaired by a Trustee which are attended by the appropriate Senior Management Team Member(s), which meet prior to and feed into each Board meeting.

- Financial Sustainability Committee (includes income generation activity)
- Joint People and Development Committee
- Board Effectiveness Committee
- Quality Committee
- New Build Project Board (Chaired by VP)
- Remuneration Committee (Chief Executive remuneration only)

Rotation, recruitment and appointment and induction of Trustees

The Trustees consider it essential that the Board is strong, well-balanced and effective comprising members with the requisite professional skills and experience in healthcare or local services to properly represent users of the charity's services. Looking forward, the Board will carefully consider how it increase its diversity and inclusion to better meet the needs of the local population.

Trustees are recruited through local advertising and a robust selection process. Trustees serve for a maximum of two terms of four years each.

An induction programme is provided to all new directors. They are advised of their responsibilities as directors and Trustees, including their legal obligations under charity and company law and the charity Commission guidance on public benefit, given copies of the charity's governing documents, and are appraised of the charity's aims and activities, current financial performance and its plans for the future. All Trustees receive an annual performance review and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

The General Meeting was held in person this year, where the Trustees provided an overview of our achievements and future plans, allowing additional challenge to the Trustees and the organisation, on behalf of the community.

Senior Management Team

The Board delegates the day-to-day management of the hospice to the Chief Executive, and the officers of the company:

The charity has set up a clear pay progression arrangement for its senior leaders which reflects arrangements in place for all staff and managers. As the charity strives to make its reward offer as competitive as it can afford, it will continue to consider managers and senior management remuneration. The pay points for the Senior Management Team are now in place having recently been set, using benchmarks for similar sized charities. Pay progression for these senior officers is delegated to the Chief Executive. The Chief Executive's pay also progresses over several pay points and progression is agreed by the charity's Remuneration Committee.

The Senior Management Team meets weekly, rotating meetings to review strategy and business plan delivery, the quality management system across all activities, risk management and operational service performance, including budgetary review and regular reforecasting. The SMT have been trialling the closer engagement of the charity's senior managers recognising the risk that the pandemic might impact the availability of leaders at any time. This pilot has proven very successful and will be consolidated within the charity's Integrated Governance Framework.

Information is cascaded to the Heads of Department and key managers in two monthly interactive update sessions and to staff through appropriate all staff meetings, awards events and departmental team meetings. Trustees are invited to attend these meetings periodically to assure themselves of the quality of communication, education and training that is being provided.

Charitable Objectives

The hospice's charitable objectives which were set by the Trustees, with due regard to the Charity Commission's guidance on public benefit, are:

- To relieve suffering, provide comfort and improve quality of life for people with progressive life limiting illness:
- To relieve the suffering of people facing or experiencing bereavement by the provision of counselling; and
- To advance research and education in palliative and end of life care.

Statement of Directors Responsibilities

The Board of Directors is responsible for the approval of the annual accounts, ensuring compliance with the Charities Act 2011, the Companies Act 2006 and the Memorandum and Articles of Association and Accounting and Reporting Statement of Recommended Practice applicable in the UK and republic of Ireland, FRS 102.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the

incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's strategic report the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

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

- select suitable accounting policies and then apply them consistently.
- ensure compliance with the methods and principles in the Memorandum and Articles of Association and Accounting and Reporting Statement of Recommended Practice applicable in the UK and Republic of Ireland, FRS 102 which was effective from 1st January 2019.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK 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 company will continue in business.

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

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors 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.

Details of directors' interests in contracts and related party transactions are given in note 10 to the accounts.

STATEMENT AS TO DISCLOSURE TO THE AUDITORS

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and the Trustees have taken all steps 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.

Kreston Reeves LLP were appointed in March 2023 as auditor to the company under Section 485 of the Companies Act 2006.

The Report of the Board of Trustees, incorporating the strategic report, was approved by the Board on 18th July 2023 and signed on its behalf by:



Terry O'Leary Chairman



OUR TRUSTEES, SENIOR MANAGEMENT TEAM AND ADVISORS

Our Trustees

Terence O'Leary	Chair of the Board of Trustees & Chair Remuneration Committee
Catherine Blackburn	Chair of People Committee to May 2022 Chair of Quality Committee
Philip Ingleby	Chair of Financial Sustainability Committee from February 2023
Gregory Andrews	Chair of Financial Sustainability Committee to February 2023
Alison Livesley	Chair of Board Effectiveness Committee to February 2023 Lead Trustee supporting the New Build Board
Nicola Neal-Smith	Chair of Board Effectiveness Committee from February 2023
Kate Midgley	Chair of People and Development Committee from May 2022
Richard Griffin	
John Abbott	
Yolanda Fernandes	
Diana Riley	

Co-Optee

Andrew Wates OBE DL	Vice President Chair of New Build Committee
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Our Senior Management Team

Giles Tomsett	Chief Executive
Patricia Brayden	Medical Director
Paula McGoveney	Director of Income Generation and Marketing
Cathy Heard	Finance Director
Elly Powis	People and Site Services Director
Paul Rycroft	New Build Delivery and Collaboration Director
Sam Farr	Director of Care Services (Appointed March 2023)
Carol Harris	Director of Care Services (Resigned February 2023)

Our Advisors

Independent auditors:

Kreston Reeves LLP, Springfield House, Springfield Road, Horsham, West Sussex RH12 2RG

Principal bankers:

Barclays Bank Plc, 90-92 High Street, Crawley, West Sussex RH10 1YX

Solicitors:

DMH Stallard LLP, Gainsborough House, Pegler Way, Crawley, West Sussex RH11 7FZ

Investment Advisors:

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Rathbones Group Plc, 8 Finsbury Circus, London EC2M 7AZ

Registered Office:

Malthouse Road, Crawley, West Sussex RH10 6BH

Company Number: 01525404

Charity Registration Number: 281362

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ST CATHERINE'S HOSPICE LIMITED

Opinion

We have audited the financial statements of St Catherine's Hospice Limited (the "parent charitable company") and its subsidiary (the "group") for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Hospice Balance Sheets, the Consolidated Cash Flow Statement 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 parent charitable company's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the Trustees' Annual 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 inconsistencies or apparent material misstatements, we are required to determine whether 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' Annual Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the trustees (who are also the directors of the 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 group and parent charitable company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and sector as a whole, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to Care Quality Commission (CQC) regulations, restrictions imposed by charity law on the use of restricted funds, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Charities SORP (FRS 102)

2019 and consider other factors such as sales tax and payroll taxes. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as legacy income recognition. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Reviewing correspondence with relevant tax and regulatory authorities including the most recent CQC inspection reports; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the

related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Kreston Reeves LLP

Lucy Hammond BSc FCA (Senior Statutory Auditor)

For and on behalf of Kreston Reeves LLP, Chartered Accountants and Statutory Auditor

Date: 18th July 2023

Horsham

Financial Statements

Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2023

		Restricted	Designated	Unrestricted	Total Funds 2023	Total Funds 2022
	Note	£'000's	£'000's	£'000's	£'000's	£'000's
Income						
Donations & Legacies	2	1,971	0	5,014	6,985	4,333
Trading Activities	4	0	0	2,755	2,755	2,391
Charitable Activities	5	1	0	3,117	3,118	4,715
Investments	3	0	0	279	279	133
Other Income		0	0	180	180	310
Total Income		1,972	0	11,345	13,317	11,882
Expenditure						
Fundraising & Investment Activities		0	63	1,399	1,462	1,249
Trading Activities		0	39	2,132	2,171	2,071
Charitable Activities		65	143	7,313	7,521	6,935
Total Expenditure	6	65	245	10,844	11,154	10,255
Net Income / (Expenditure) on Operational Activities	7	1,907	(245)	501	2,163	1,627
Net Gains / (Losses) on Investments	14,15	0	0	(388)	(388)	115
Net Income / (Expenditure) for the Year	8	1,907	(245)	113	1,775	1,742
Transfer Between Funds	20,21	0	0	0	0	0
Net Movement in Funds		1,907	(245)	113	1,775	1,742
Funds B/F as at 1st April		4,797	12,284	9,936	27,017	25,275
Funds Carried Forward as at 31st March		6,704	12,039	10,049	28,792	27,017

All gains and losses arising in the current and previous year have been recognised in the Statement of Financial Activities and arise from continuing activities.

The prior year comparators for each fund included above are included in notes 28 to 32

The notes on pages 33 to 53 form part of these financial statements.

Financial Statements

Balance Sheets as at 31 March 2023

Company Registration No. 01525404

	Notes	Group		Hospice	
		31 March 2023 £'000	31 March 2022 £'000	31 March 2023 £'000	31 March 2022 £'000
Fixed Assets					
Tangible Assets	13	2,669	2,668	2,669	2,668
Construction in Progress - Pease Pottage	13	13,398	2,530	13,398	2,530
Investments	14	7,316	13,329	7,366	13,379
		<u>23,383</u>	<u>18,527</u>	<u>23,433</u>	<u>18,577</u>
Current Assets					
Investments	15	493	3,768	493	3,768
Stock	16	7	3	0	0
Debtors	17	1,739	1,810	1,740	1,839
Cash at Bank		<u>5,370</u>	<u>3,842</u>	<u>5,291</u>	<u>3,762</u>
		7,609	9,423	7,524	9,369
Current Liabilities					
Creditors: amounts falling due within one year	18	2,180	902	2,180	902
Net Current Assets		<u>5,429</u>	<u>8,521</u>	<u>5,344</u>	<u>8,467</u>
Total Assets less Current Liabilities		<u>28,812</u>	<u>27,048</u>	<u>28,777</u>	<u>27,044</u>
Creditors: amounts falling due greater one year	11	20	31	20	31
Total Net Assets		<u>28,792</u>	<u>27,017</u>	<u>28,757</u>	<u>27,013</u>
The Funds of the Charity					
Restricted Funds	20	6,704	4,797	6,704	4,797
Designated Funds	21	12,039	12,284	12,039	12,284
Unrestricted Funds	21	10,049	9,936	10,014	9,932
Total Funds	22	<u>28,792</u>	<u>27,017</u>	<u>28,757</u>	<u>27,013</u>

The unconsolidated net income of the Hospice in 2022/23 was £1,744,000 (2021/22 £1,729,000).

The Financial Statements on pages 30 to 53 were approved by the Board of Directors and authorised for issue on 18th July 2023 and are signed on its behalf by:



Philip Ingleby
Trustee / Director

The notes on pages 33 to 53 form part of these financial statements.

Financial Statements

Consolidated Cash Flow Statement as at 31 March 2023

		31 March 2023 £'000	31 March 2022 £'000
	Notes		
Cashflows from Operating Activities			
Net Cash provided by / (used in) Operating Activities	25a	3,269	1,707
Cashflows from Investing Activities			
Divestment of Investments		6,000	0
Divestment of Current Asset Investments		3,300	0
Purchase of Property, Plant & Equipment		(173)	(84)
New Build Construction in Progress		(10,868)	(1,295)
Net Cash provided by / (used in) Investing Activities		(1,741)	(1,379)
Change in Cash & Equivalents in the Reporting Period		1,528	328
Cash & Equivalents at the beginning of the Reporting Period		3,842	3,130
Cash & Equivalents at the end of the Reporting Period	25b	5,370	3,842

The notes on pages 33 to 53 form part of these financial statements.

Accounting Policies

Principal Accounting Policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The hospice meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy notes.

Legal Status of the Charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member.

Going Concern

Having given prioritised oversight of, the financial forecasts, cashflows and risk register during the year in response to the pandemic and its impact on future aspirations, the Trustees have realigned the hospice's future strategic direction to meet short to medium term constraints. The Trustees, therefore, consider that there are no material uncertainties about St Catherine's Hospice Limited's ability to continue as a going concern for the foreseeable future. Free reserves currently exceed the charity's reserves policy requirements (as noted in the reserves policy) which has been agreed on a risk-based profile. Medium-term forecast projections indicate that the charity's free reserves remain within its policy's acceptable limits.

Material Areas of Judgement

The most significant area of judgement and key assumptions that affects items in the accounts is the estimation of income from Legacies. The estimated value of each outstanding legacy at 31 March is calculated in accordance with the principles set out in the Donation, Grants and Other Income section below. Another significant area of assumption is in respect of depreciation of Fixed Assets. The rates of write down are shown in the Tangible Fixed Assets section below. The Trustees are satisfied that these write down rates are a reasonable reflection of the expected useful life of the assets in each class.

Group Financial Statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiary St Catherine's Hospice Trading (Sussex) Limited on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations where the donor has specified they should only be used for particular areas of the hospice's work. The aim and use of each designated and restricted fund is set out in the notes to the financial statements. Investment income, gains and losses are allocated to the appropriate fund.

Donated Assets

Tangible assets donated to the hospice are recorded at the original estimate of their value to the company.

A donation of land was received in 2019/20 and accounted for in accordance with this policy ensuring the valuation was a fair value, carried out by external professional valuers, as defined within FRS102 being the "amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

Tangible Fixed Assets

Fixed assets other than donated assets are stated at historical cost. All assets costing more than £2,000 are capitalised.

Accounting Policies

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write down each asset to its estimated residual value evenly over its expected useful life, as follows:-

Freehold buildings	2% per annum on cost
Extensions and refurbishments	10% per annum on cost
Equipment (excluding leasehold improvements)	25% or 17% per annum on cost
Leasehold improvements	calculated on remaining length of lease
Computer Equipment	25% per annum on cost
Motor vehicles	25% per annum on cost

Taxation

The company is considered to pass the tests set out in the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation on income or capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

Operating Leases

Rental costs under operating leases are charged to the general fund operating account in equal annual amounts in accordance with the terms of the lease. Any benefits received or receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period of the lease.

Pension Contributions

The charity operates a defined contribution pension scheme, the assets of which are held separately from those of the charity in independently administered funds chosen by individual staff. Some staff participate in the NHS defined benefit pension scheme. Any resulting liabilities on this scheme would be met by the State. Therefore, contributions payable for the year in relation to either scheme are charged in the Statement of Financial Activities.

The company also participates in a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The charity is also making additional payments into the fund in order to eliminate the deficit. These payments commenced in April 2013 and are currently scheduled to continue until January 2025. To recognise the future liability and in accordance with FRS 102 the Trustees have agreed to make a provision for the present value of the outstanding deficit contributions.

Further details including the current buy-out debt amount and value of the provision are given in Note 11.

Donations Grants and Other Income

Income is recognised in the Statement of Financial Activities when the charity is entitled to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income has related expenditure (as with fundraising or contract income) the income and related expenditure are reported gross in the Statement of Financial Activities.

- In the event that a donation or grant is subject to fulfilling performance conditions before the charity is entitled to the funds the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income accrued in debtors.
- Income from NHS contracts, government or other grants, whether capital or revenue in nature are recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that

Accounting Policies

the income will be received and the amount can be measured reliably:

- Income, including sponsorship received in advance for a future fundraising event or for a grant received relating to the following year is deferred until the criteria for income recognition is met.
- Items donated for resale through the retail shops are included in the accounts when the items are sold.
- Investment income is included when receivable and the amount can be measured reliably; usually when the notification of interest payable is received from the bank. Dividends are recognised once the dividend has been declared and notification has been received of the amount due.
- Income from legacies is determined on a case by case basis in accordance with the following principles. Pecuniary legacies are recognised once probate has been granted and notification has been received that payment will be received. Residuary legacies are recognised once probate has been granted, provided that sufficient information has been received to enable valuation of the hospice's entitlement with sufficient certainty; amounts receivable are included at 90% of their valuation, to reflect the sector's experience of the uncertainty inherent in the administration of estates, subject to further reduction to reflect the impact of other factors such as the valuation of unrealised estate assets or subsequent adverse movements in property and investment markets. Where legacies have been notified to the charity or the charity is aware of the granting of probate and the criteria for income recognition have not been met then the legacy is treated as a contingent asset and disclosed if material.
- All subscriptions for the lottery draws are deferred, with income drawn down each week. All other income received in one period but relating to future periods is shown as deferred income under creditors.

Donated Goods and Services

Donations of goods and services, including seconded NHS doctors, are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from its use is probable and the economic benefit can be reliably measured. These items are included in income at the estimated value of the gift to the charity when received based on the amount the charity would have been prepared to pay had it been required to purchase them.

Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements. Further details of their contribution are provided in note 12.

Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis once there is a legal obligation to make a payment, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is categorised under the following headings:

Costs of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies; investment management fees; costs of fundraising activities including the costs of goods sold, shop costs, commercial trading and their associated support costs. Fundraising costs do not include the costs of disseminating information in support of the hospice's charitable activities.

Expenditure on charitable activities includes the costs of providing specialist palliative care and support to patients, their families and the wider community; research and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the hospice and include governance cost, finance and office costs. Governance costs are those costs incurred in connection with complying with constitutional and statutory requirements of the charity. Where practicable irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are allocated to each of the activities on a variety of bases, principally headcount, floor area or time spent on activities depending on the nature of the support costs, to best allocate the costs to each attributable heading. More details on the analysis and basis of allocation is given in note 6.

Financial Instruments

The hospice only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at their transaction value and subsequently measured at their settlement value.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price, except for the shares in the trading subsidiary which are carried at cost. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Accounting Policies

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired during the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The charity does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity and bond markets due to wider economic conditions, the attitudes of investors to investment risk and changes in sentiment concerning equities and other instruments within particular sectors.

Stock

Stock of goods for resale is valued at the lower of cost and net realisable value. Stock donated for resale are not included in the financial statements until they are sold because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place to record these until they are sold and undertaking a stock take would incur undue cost and income loss for the charity which would far outweigh the benefits.

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. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid deposits with a short maturity of 95 days or less from the date of acquisition or opening of the account.

Creditors

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

Supporting Notes to Financial Statements

1 Income

Income derives from the group's principal activities carried on wholly in the United Kingdom.

2 Income from Fundraising Activities

	Restricted £'000's	Designated £'000's	Unrestricted £'000's	2023 £'000's	2022 £'000's
Donations	105	0	1,857	1,962	1,960
Legacies	0	0	3,048	3,048	1,573
Other Grants	40	0	109	149	222
Donations in Kind	0	0	0	0	0
Capital Appeal - Pease Pottage	1,826	0	0	1,826	578
	1,971	0	5,014	6,985	4,333

3 Income from Investments

	2023 £'000	2022 £'000
Listed Investment Income	157	132
Interest Received -Investments held as Current Assets	26	0
Interest Received – Bank and Other	96	1
	279	133

4 Income from Trading Activities

	2023 £'000's	2022 £'000's
Retail	1,412	1,330
Lottery	987	886
Fundraising Events	356	175
	2,755	2,391

5 Income from Charitable Activities

	2023 £'000	2022 £'000
NHS Block Contract / Grant	2,145	3,183
NHS Contribution to Drug Costs	129	116
NHS Contribution to Lymphoedema Service	0	29
NHS Community Support Pilot	319	319
Income for Inpatient Beds from Continuing Healthcare (CHC)	49	58
Research Grant	0	44
Other Service Contracts	335	393
COVID 19 Hospice UK (HUK) Support	0	446
COVID 19 Clinical Commissioning Group (CCG) Support	125	99
Education Income	16	28
	3,118	4,715

Supporting Notes to Financial Statements

Statutory income from Surrey Heartlands CCG included an expedited receipt of £600k, in 2021/22, in support of additional staffing and agency costs during the height of Omicron which was offset in the 2022/23 contractual agreement.

6 a) Expenditure

	Direct Costs £000's	Support Costs £000's	Depreciation £000's	Total 2023 £000's	Total 2022 £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	1,080	284	22	1,386	1,144
Capital Appeal - Pease Pottage	41	0	0	41	71
Investment Management	35	0	0	35	34
	1,156	284	22	1,462	1,249
Trading Activities					
Retail Shops	1,315	449	23	1,788	1,603
Lottery Costs	83	93	2	178	282
Fundraising Events	9	192	4	205	186
	1,407	734	30	2,171	2,071
Charitable Activities					
Inpatient Services	2,837	1,026	50	3,913	3,615
Community Services	2,413	552	44	3,010	2,777
Wellbeing Services	19	305	21	346	308
Education	182	67	4	253	235
	5,451	1,951	119	7,521	6,935
	8,014	2,969	171	11,154	10,255

b) Analysis of Support Costs in a) above

	Facilities & Hospitality £000's	Support Services £000's	Corporate Comms £000's	Governance £000's	Support Costs Total £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	57	163	54	10	284
	57	163	54	10	284
Trading Activities					
Retail Shops	94	317	19	20	449
Lottery Costs	58	12	23	1	93
Fundraising Events	57	83	48	5	192
	208	411	89	26	734
Charitable Activities					
Inpatient Services	260	703	19	44	1,026
Community Services	72	434	19	27	552
Wellbeing Services	101	175	19	11	305
Education	22	35	8	2	67
	455	1,347	64	85	1,951
	720	1,922	207	121	2,969

Supporting Notes to Financial Statements

7. Trading Operations

The wholly owned trading subsidiary, St Catherine's Hospice Trading (Sussex) Limited; UK company registration number 02822993, pays all its eligible profits to the charity under Gift Aid. The company manages the sale of purchased goods through the hospice retail shops as well as the collaboration agreements with St Peter and St James Hospice for Finance support and St. Wilfrid's Hospice for IT support.

The charity owns the entire issued share capital of 50,000 shares of £1 each.
A summary of the trading results is shown below.

	2023 £'000	2022 £'000
Turnover	227	68
Cost of Sales	30	28
Gross Profit	197	40
Other Operating Expenses (net)	163	27
Profit on Ordinary Activities	34	13
Donations under Gift Aid	4	0
Corporation Tax		
Profit Retained in the Subsidiary	30	13

8 Net Income / Expenditure

	2023 £'000	2022 £'000
Net Income / (Expenditure) is stated after charging:		
Tangible Fixed Asset Depreciation and amounts Written Off in the Period		
Owned Assets	159	167
Operating Lease Rentals - Equipment	23	23
Operating Lease Rentals - Shops & Office	380	358
Auditors Remuneration - Audit	18	15
Auditors Remuneration – Tax Business	0	2

Supporting Notes to Financial Statements

ST CATHERINE'S HOSPICE

9 Employees

	2023 FTE's	2022 FTE's
Average Weekly FTE's		
Fundraising	22	20
Retail	26	24
Inpatient Services	50	48
Community Services	41	42
Wellbeing Services	0	0
Education	3	3
Support Services	50	46
	192	183

The hospice employs a significant number of staff on a part-time basis. The average of number of paid staff in the charity and group in 2022/23 was 243 (2021/22: 237).

	2023 £'000	2022 £'000
Staff Costs		
Salaries	6,961	6,721
Social Security Costs	676	623
Other Pension Costs	570	511
	8,207	7,855

The hospice made ex gratia payments to staff in 2022/23 of £22,000 (2021/22 NIL). Pension costs for 2022/23 are £479,000 (2021/22 439,000), net of NHS funding. No emolument was paid during the year to any of the Directors (2021/22: £Nil) and no Director was reimbursed for expenses (2021/22: £Nil). Included in the staff costs above is £291,000 (2021/22 £282,000) in respect of seconded NHS doctors paid from NHS funds.

The number of employees who received emoluments in the following ranges was:

	31 March 2023 £'000	31 March 2022 £'000
£60,001 - £70,000	2	3
£70,001 - £80,000	1	3
£80,001 - £90,000	3	0
£90,001 - £100,000	2	1
£100,001 - £110,000	1	1
£110,001 - £120,000	1	2
	10	10

All of the above higher paid employees are accruing retirement benefits under schemes treated as defined contribution schemes. The company made pension contributions of £90,654, on behalf of these staff in 2022/23 (2021/22 £105,000).

Supporting Notes to Financial Statements

The hospice considers that the key management personnel comprise the senior management team – who are the Chief Executive and 6 other key Directors and Heads of Service. The total employee benefits of the key management staff were £751,000 (2021/22 £613,000).

10 Related Party Transactions

During the year no Trustees received any remuneration or benefits in kind (2021/22 £Nil). Moreover, no Trustees received any reimbursement of travel expenses (2021/22 £Nil). Donations from Trustees to the charity amounted to £24,412 in 2022/23 (2021/22 £41,820).

The charity provided services during the year to its wholly owned trading subsidiary, St. Catherine's Hospice Trading (Sussex) Limited. The charge for those services amounted to £26,000 (2021/22 £23,000). A donation of £3,790 was made under gift aid from the trading subsidiary in the year (2021/22 NIL).

There were no other related party transactions in the current year or previous year.

11 Pension Contributions

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
--	-----------------------------	--------------------------

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)
--	------------------------------	---

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present Value of Provision	2023 £'000	2022 £'000	2021 £'000
Present Value of Provision	20	31	136

Supporting Notes to Financial Statements

Reconciliation of Opening & Closing Provisions

	2023 £'000	2022 £'000
Provision at start of Period	31	136
Unwinding of Discount Factor (Interest Expense)	1	1
Deficit Contribution Paid	(12)	(34)
Remeasurement - Amendment to Contribution Schedule	0	(72)
Provision at End of Period	20	31

Income & Expenditure Impact

	2023 £'000	2022 £'000
Interest Expense	1	1
Amendment to Contribution Schedule	(1)	(1)
Costs charged to Income & Expenditure Account	0	0

A rate of discount of 2.5% has been assumed in both 2021/22 and 2022/23 representing the Hospice's estimate of the cost of money to the charity.

The hospice also participates in a defined contribution pension scheme operated by the Pensions Trust, the assets of which are held separately from those of the hospice. Employees contribute between 3.2% and 6% of their salary with the charity contributing 150% of the employee contribution.

The total pension cost charge of the group represents contributions payable by the charity and amounted to £563,000 (2021/22: £511,000).

At the year-end contributions outstanding totalled £0 (2021/22: £0) and are included in the creditors. The estimated employer pension contributions payable by the company in 2023/24 is £640,000.

12 Volunteers

The charity is dependent upon a team of part-time voluntary helpers who assist in all areas of the charity's care. There are three key types of volunteers:

Hospice Volunteers - providing a range of clinical services (e.g. complementary therapy, counselling, patient drivers) and support services (e.g. administration, hospitality, gardeners).

Retail Volunteers - providing sorting and till support to 14 charity shops, our warehouse and e-commerce work.

Community - supporting our fundraising work through Friends groups, running street collections and supporting events (e.g. marshalling, registration, refreshments, game stalls).

Supporting Notes to Financial Statements

ST CATHERINE'S HOSPICE

13 Tangible Fixed Assets

Hospice & Group	Freehold Land & Buildings £'000	Equipment £'000	Motor Vehicles £'000	Construction in Progress £'000	Total £'000
Cost / Valuation at 1st April 2022	5,150	1,195	85	2,530	8,960
Additions	128	45	0	10,869	11,042
Disposals	0	0	(37)	0	(37)
Cost / Valuation at 31st March 2023	5,278	1,240	48	13,399	19,965
Depreciation at 31st March 2022	2,662	1,049	51	0	3,762
Charged in the Year	85	61	13	0	159
Disposals	0	0	(24)	0	(24)
Depreciation at 31st March 2023	2,747	1,110	40	0	3,897
Net Book Value 31st March 2023	2,531	130	8	13,399	16,068
Net Book Value 31st March 2022	2,488	146	34	2,530	5,198

All the tangible fixed assets of the group are part of the accounts of the main charity.

Freehold land at Malthouse Road was donated to the hospice and valued at £60,000 by the Directors in December 1983.

Freehold land at Pease Pottage was donated to the hospice in December 2018. The Trustees carried out a valuation, supported by a firm of independent advisors, who valued the land at £1,000,000. The basis of value is at a fair value, as defined within the Financial Reporting Standard FRS102, being "the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

All freehold land and buildings are included in the financial statements at lower of cost and open market value. In the opinion of the Directors, the open market value of the freehold land and buildings is not less than the stated value.

14 Fixed Asset Investments

	Listed Investments £'000
Cost / Market Value 1st April 2022	13,329
Realised Gains / (Losses) on Disposal	(17)
Unrealised Gains / (Losses)	(370)
Dividends & Interest	157
Management Fee	(35)
Movement of Shares to Investments	252
Funds withdrawn for New Hospice Build	(6,000)
Cost / Market Value 31st March 2023	7,316
Historical Cost 31st March 2023	6,654

Supporting Notes to Financial Statements

Investments held by the charity also include an additional £50,000 (2021/22 - £50,000) investment in the subsidiary company at cost.

Subsidiary Company

Name	Country of Incorporation	Class of Holding	Proportion Held	Aggregate Capital & Reserves £'000	Result for Year £'000
St Catherine's Hospice Trading (Sussex) Limited	England	Ordinary	100%	50	-

15 Investments held as Current Assets

	£'000
Cost / Market Value 1st April 2022	3,768
Cash held in deposit accounts	25
Cash withdrawn for New Hospice Build	(3,300)
Cost / Market Value 31st March 2023	493
Historical Cost 31st March 2023	430

16 Stock

	Group		Hospice	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Stock				
Goods for Resale	7	3	0	0
	<u>7</u>	<u>3</u>	<u>0</u>	<u>0</u>

17 Debtors

	Group		Hospice	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Debtors				
Trade Debtors	90	100	90	100
Accrued Legacy Income	1,133	1,155	1,133	1,155
Amounts due from Subsidiary Company	0	0	0	25
Other Prepayments & Accrued Income	363	542	363	542
Other Debtors	153	13	154	17
	<u>1,739</u>	<u>1,810</u>	<u>1,740</u>	<u>1,839</u>

Supporting Notes to Financial Statements

18 Creditors: Amounts falling due within one year

	Group		Hospice	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Creditors				
Trade and Other Creditors	214	330	214	330
Taxation and Social Security Costs	160	239	160	239
Accruals & Deferred Income	1,770	134	1,770	147
Other Creditors	36	186	36	186
	<u>2,180</u>	<u>902</u>	<u>2,180</u>	<u>902</u>

19 Reserves – Movements by Fund

This schedule presents the final reserves position by fund, together with those designated and restricted funds for the New Hospice shown in total as a memo:

	Restricted Funds	Designated Funds	Unrestricted Funds	Total Funds	<i>New Hospice Funds (memo)</i>
Balance as at 01/04/2022	4,797	12,284	9,936	27,017	12,195
Net Operating Income / (Expenditure)	1,907	(245)	501	2,163	1,931
Net Gains / (Losses) on Investments	0	0	(388)	(388)	
Net Inc / (Dec) in Reserves	1,907	(245)	113	1,775	1,931
Transfers between Funds	0	0	0	0	0
Net Inc / (Dec) in Reserves	1,907	(245)	113	1,775	1,931
Balance as at 31/03/2023	6,704	12,039	10,049	28,792	17,672
Less:					
Fixed Assets	1,000	0	1,669	2,669	1,000
Construction in Progress	4,803	8,570	25	13,398	13,398
Available Reserves	901	3,469	8,355	12,725	3,274
Free reserves			8,355		

Notes 20 and 21 provide further detail on fund movements in the year.

Supporting Notes to Financial Statements

20 Restricted Funds: Group & Charity

	Balance 1 April 2022	Income in Year	Expenditure in Year	Transfers In / (Out)	Balance 31 March 2023
Inpatient services	22	2	6	0	18
Community Services	20	32	52	0	0
Wellbeing Services	188	0	0	0	188
Education	28	0	0	0	28
Capital & Equipment	31	0	0	0	31
Other	0	6	6	0	0
Total Funds	289	40	64	0	265
Donations in Kind	1,000	0	0	0	1,000
New Horizons Donation to New Build	1,100	0	0	0	1,100
Capital Appeal - Pease Pottage	2,408	1,931	0		4,339
Total Funds	4,797	1,971	64	0	6,704

The hospice may receive grants or donations whose use is restricted by the donor. In these circumstances, the funds are shown as restricted.

The restricted fund is managed through a governance group with expenditure aligned to donations.

Wellbeing Services

Garden fund - monies raised to re-develop and enhance the hospice garden.

Creative Therapies – funds to support creative activities primarily in the Day Hospice.

Living Well groups – donations provided to support the operation of Living Well activity groups.

Community Services

Horsham Carers Support – funds provided by Horsham Hospital League of Friends to provide support and practical skills training for carers in the Horsham area

Community Nursing – funds donated towards the cost of a community nurse.

Education

Funds raised in support of education.

Capital & Equipment

Funds raised in support of capital and equipment.

Other

Funds raised for items not included above.

Capital Appeal – Pease Pottage

The generous donation of five acres of land as a gift in kind from Mr Bill Bridges as the site to build a new hospice has been valued as a gift in kind, by the Trustees supported by a firm of independent advisors at £1m.

Funds donated specifically towards the construction of our new hospice which is due to complete in 2023.

Supporting Notes to Financial Statements

21 Unrestricted Funds

	Balance 1 April 2022	Income in Year	Expenditure in Year	Gain / (Loss) on Investments in Year	Transfers In / (Out)	Balance 31 March 2023
Designated Funds						
New Hospice Fund	11,233	0	0	0	0	11,233
Strategic Delivery	1,051	0	245	0	0	806
Total Designated Funds	12,284	0	245	0	0	12,039
General Funds	9,936	11,344	10,843	(388)	0	10,049
Total Unrestricted Funds	22,221	11,344	11,088	(388)	0	22,088

Unrestricted reserves are available to be used for:

- The day to day running of the hospice;
- The costs of any capital projects in whole or in part where the cost is not met from any other fund; and
- For any other purpose as the Directors see fit to fulfil the objectives of the hospice.

Designated funds have been agreed by the Trustees to support costs in the delivery of its strategic goals.

New Hospice Fund

St. Catherine's has now commenced the construction of a new hospice at Pease Pottage following the generous donation of five acres of land from Mr Bill Bridges and a donation from Mr John Shemeld in excess of £6m, representing monies set aside to finance the future major capital developments that are required to maintain and enhance the services of the hospice. This fund has been supported by the charity's Capital Appeal and its reserves.

Strategic Delivery Fund

The Trustees have agreed to designate funds in support of the delivery of the charity's strategic aims with regular review and monitoring. Current funds are detailed below:

	£'000
New Build Transition and Capital Appeal	160
New Ambition Voluntary Income Growth	196
Sussex Collaboration	23
Electronic Patient Record System	69
Digital Transformation Projects	147
IT Infrastructure Investment	158
Quality Improvements	15
HR - Management Development and EDI Agenda	38
	806

Supporting Notes to Financial Statements

22 Analysis of Group Net Assets between Funds

	Unrestricted	Restricted	Total Funds 2023	Unrestricted	Restricted	Total Funds 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible Fixed Assets	2,653	16	2,669	2,668	0	2,668
Construction in Progress - Pease Pottage	7,032	4,803	11,835	65	2,465	2,530
Fixed Asset Investments	7,216	100	7,316	13,229	100	13,329
Current Asset Investments	493	0	493	3,768	0	3,768
Other Current Assets	5,139	1,785	6,924	3,223	2,232	5,655
Current Liabilities	(423)	0	(423)	(902)	0	(902)
Provisions	(22)	0	(22)	(31)	0	(31)
	22,088	6,704	28,792	22,220	4,797	27,017

23 Members of the Hospice

As at 31 March 2023 there were 52 members (2021/22: 50) of the company who are required to contribute £1 each in the event of the company being wound up.

24 Operating Lease Commitments

At 31 March 2023 the group was committed to make the following payments in respect of operating leases:

	2023 £'000	2022 £'000
Land & Buildings		
Amounts due within One Year	291	341
Amounts due in Two to Five Years	736	869
Amounts due in over Five Years	96	248
Other		
Amounts due within One Year	23	23
Amounts due in Two to Five Years	7	22
	1,153	1,503

Payments under operating leases are recognised as expenditure as they fall due. No provision has been made for future commitments.

Supporting Notes to Financial Statements

25 Cashflows

	2023	2022
	£'000	£'000
a) Net Income / (Expenditure) for the Reporting Period	1,775	1,955
Adjust for:		
Depreciation	159	167
(Gains) / Losses on Sale of Assets	13	0
Non Cash Donations (Shares, Land & Property)	0	50
Net gains on investments	(20)	(324)
(Increase) / Decrease in Stocks	4	(1)
(Increase) / Decrease in Debtors	71	(540)
Increase / (Decrease) in Provisions	(11)	(105)
Increase / (Decrease) in Creditors	1,278	517
Net Cash provided by / (used in) Operating Activities	3,269	1,506

b) Analysis of Cash & Cash Equivalents

	2023	2022
	£'000	£'000
Cash in Hand	5,370	3,842
Notice Deposits (less than 3 Months)	493	3,768
Total Cash & Cash Equivalents	5,863	7,610

26 Capital Commitments

The charity has entered into capital commitments £16.7m, with Barnes Construction the approved contractor, to build it new hospice at Pease Pottage. The full capital commitment of delivering the new hospice is £19.5m, of which £13.4m had been spent as at 31/03/2023.

27 Post Balance Sheet Events

The hospice has been notified of two legacies that have been granted probate but did not meet the recognition criteria at the 31st March 2023. These legacies have been estimated at a potential value of approximately £1.4m.

The trading company entered into a 125 year lease with Thakeham Pease Pottage LLP, for parts of the Community Hub Building at Grace Holland Avenue, Pease Pottage RH11 9SL, which will provide a coffee shop, meeting rooms and a shop. This lease was signed on 15th May 2023.

Supporting Notes to Financial Statements
28 SOFA prior Year Comparatives

		Restricted	Designated	Unrestricted	Total Funds 2022	Total Funds 2021
	Note	£'000's	£'000's	£'000's	£'000's	£'000's
Income						
Donations & Legacies	2	665	0	3,668	4,333	4,501
Trading Activities	4	0	0	2,391	2,391	1,500
Charitable Activities	5	483	0	4,232	4,715	5,353
Investments	3	0	0	133	133	122
Other Income		1	0	309	310	718
Total Income		1,149	0	10,733	11,882	12,194
Expenditure						
Fundraising & Investment Activities		0	94	1,155	1,249	950
Trading Activities		0	40	2,031	2,071	2,229
Charitable Activities		130	148	6,657	6,935	7,601
Total Expenditure	6	130	282	9,843	10,255	10,780
Net Income / (Expenditure) on Operational Activities	7	1,019	(282)	890	1,627	1,414
Net Gains / (Losses) on Investments	14,15	0	0	115	115	541
Net Income / (Expenditure) for the Year	8	1,019	(282)	1,005	1,742	1,955
Transfer Between Funds	20,21	(383)	(44)	427	0	0
Net Movement In Funds		636	(326)	1,432	1,742	1,955
Funds B/F as at 1st April		4,161	12,610	8,504	25,275	23,320
Funds Carried Forward as at 31st March		4,797	12,284	9,936	27,017	25,275

Supporting Notes to Financial Statements
29 Note 6 Expenditure – prior year
a. Expenditure

	Direct Costs £000's	Support Costs £000's	Depreciation £000's	Total 2021 £000's	Total 2020 £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	875	248	21	1,144	900
Capital Appeal - Pease Pottage	71	0	0	71	19
Investment Management	34	0	0	34	31
	980	248	21	1,249	950
Trading Activities					
Retail Shops	1,196	384	23	1,603	1,591
Lottery Costs	191	89	2	282	153
Fundraising Events	9	173	4	186	485
	1,396	646	29	2,071	2,229
Charitable Activities					
Inpatient Services	2,685	881	49	3,615	3,971
Community Services	2,270	463	44	2,777	2,510
Wellbeing Services	19	268	21	308	885
Education	172	59	4	235	235
	5,146	1,671	118	6,935	7,601
	7,522	2,565	168	10,255	10,780

b. Analysis of Support Costs

	Facilities & Hospitality £000's	Support Services £000's	Corporate Comms £000's	Governance £000's	Support Costs Total £000's
Fundraising / Investment Activities					
Donations, Legacies & Grants	57	131	50	10	248
	57	131	50	10	248
Trading Activities					
Retail Shops	93	254	17	19	383
Lottery Costs	57	9	21	1	88
Fundraising Events	57	66	44	5	172
	207	329	82	25	643
Charitable Activities					
Inpatient Services	258	566	17	42	883
Community Services	72	348	17	26	463
Wellbeing Services	101	140	17	10	268
Education	22	28	8	2	60
	453	1,082	59	80	1,674
	717	1,542	191	115	2,565

Supporting Notes to Financial Statements

30 Note 20 Restricted Funds - prior year

	Balance 1 April 2020	Income in Year	Expenditure in Year	Transfers In / (Out)	Balance 31 March 2021
Inpatient services	26	2	6	0	22
Community Services	20	75	75	0	20
Wellbeing Services	221	11	44	0	188
Education	28	0	0	0	28
Capital & Equipment	36	0	5	0	31
Total Funds	331	124	130	0	289
COVID-19	0	483	0	(483)	0
Total Including COVID-19 Funds	331	571	130	(483)	289
Donations in Kind	1,000	0	0	0	1,000
New Horizons Donation to New Build	1,000	0	0	100	1,100
Capital Appeal - Pease Pottage	1,830	578	0	0	2,408
Total Funds	4,161	1,149	130	(383)	4,797

31 Note 21 Unrestricted Funds – prior year

	Balance 1 April 2020	Income in Year	Expenditure in Year	Gain / (Loss) on Investments in Year	Transfers In / (Out)	Balance 31 March 2021
Designated Funds						
New Hospice Fund	11,273	0	40	0		11,233
Strategic Delivery	1,337	0	242	0	(44)	1,051
Total Designated Funds	12,610	0	282	0	(44)	12,284
General Funds	8,504	10,733	9,843	115	427	9,936
Total Unrestricted Funds	21,114	10,733	10,125	115	383	22,220

Supporting Notes to Financial Statements

32 Note 22 Analysis of Group Net Assets between Funds – prior year

	Unrestricted	Restricted	Total Funds 2021	Unrestricted	Restricted	Total Funds 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible Fixed Assets	2,668	0	2,668	1,751	1,000	2,751
Construction in Progress - Pease Pottage	65	2,465	2,530	0	1,235	1,235
Fixed Asset Investments	13,229	100	13,329	12,065	1,000	13,065
Current Asset Investments	3,768	0	3,768	3,765	0	3,765
Other Current Assets	3,224	2,232	5,456	4,054	926	4,980
Current Liabilities	(902)	0	(902)	(385)	0	(385)
Provisions	(31)	0	(31)	(136)	0	(136)
	22,220	4,797	27,017	21,114	4,161	25,275

Our special thanks to all who have supported St. Catherine's in 2022-23 Our full audited accounts are available at: www.stch.org.uk

We would like to thank the patients and family members who have kindly allowed us to feature their photographs and words in this report. Where applicable, the relevant social distancing guidelines were observed for all photographs.

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