

Company number: 02588395
Charity Number: 1002856

St. Michael's Hospice (North Hampshire)

(Company Limited by Guarantee)

Report and financial statements
For the year ended 31 March 2024

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Trustees' annual report

For the year ended 31 March 2024

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Company number 02588395
Country of incorporation United Kingdom

Charity number 1002856
Country of registration England

Registered office and operational address Basil de Ferranti House,
Aldermaston Road
BASINGSTOKE, Hampshire
RG24 9NB

Patrons Val Buckley
Hugo Cubitt DL

Honorary Life President Andrew Soundy

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

D Salisbury	Chairman
D Bowden	Honorary Treasurer
M Dolby	Retired 13 November 2023
S Goddard	
C Swart	(Practising as Hutchings)
C Pelling	(Practising as Jones)
J Lyons	
C Baugh	(Practising as O'Keeffe)
V Simpson	
A Taylor	Appointed 13 November 2023

Key management

I Cameron	Chief Executive
J Storrar	Medical Director
C Griffiths	Director of Transformation
G Grace	Finance Director
L Pink	Director of Income Generation
K Drake	Clinical Director

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Bankers	Lloyds Bank PLC 2, Winchester Street BASINGSTOKE, RG21 1EB
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 110 Golden Lane LONDON EC1Y 0TG
Investment Managers	CCLA Fund Managers Limited Senator House 85 Queen Victoria Street LONDON EC4V 4ET

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The Trustees present their report and the audited financial statements for the year ended 31 March 2024.

Reference and administrative information set out on page 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

St. Michael's Hospice is registered under the Health and Social Care Act 2008 (Regulated Activities) and the Care Quality Commission (Registration) Regulations 2009.

Objectives and activities

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps Trustees ensure the charity's aims, objectives and activities remained focussed on its stated purposes.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Purposes and Aims

St. Michael's Hospice provides free, compassionate care to people in North East Hampshire who have a life-limiting illness, need end-of-life care or are experiencing bereavement. Our purpose is to bring specialist palliative care, interventions and treatment to our patients, as well as extending care to their families, friends and carers by providing bereavement support and advice when a loved one has died.

Everyone deserves a good death – but this will look different for each of our patients. Some patients request to be cared for at home, surrounded by loved ones and in a familiar environment – for those patients we have our Hospice at Home service, where we provide our specialist care in their homes. We also have our 10-bedded In-Patient Unit, which provides 24-hour care on-site for those who cannot be, or do not want to be cared for at home. No matter which their choice is, we are there for our patients whenever and wherever they need us across North East Hampshire.

It is important to us that the days before dying are filled with as much living as possible. That is why we focus on ensuring that our patients are as comfortable, pain-free and independent as they can be. Our teams are trained and skilled in providing holistic care including treatment of

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side effects, strain, tension and breathlessness. Our aim is about putting life into days – making sure the days that do remain are as normal as they can be. We want our patients to continue making memories with their loved ones, whether that is playing a game together, renewing wedding vows, seeing a beloved pet or simply spending time together.

We know that hospices can be seen as daunting places; however we know this is not true. We pride ourselves on having a friendly environment filled with kindness and compassion, where our staff and volunteers are there for the needs of our patients and their families, whether providing medical care, making a cup of tea, or giving an empathetic ear or warm smile.

Our mission is simple. St. Michael's Hospice aims to enable anyone faced with a life-limiting illness, their families and carers, to attain the highest possible quality of life by providing a choice of specialist care and support.

To achieve this purpose, we have a clearly defined set of aims:

- Ensure that all people in our care with a life-limiting illness have access to the very best medical care and support wherever and whenever they require it, allowing them to be as free as possible from unpleasant symptoms and pain
- Support and care for our patients' families and loved ones who play a crucial role in their wellbeing
- Allow our patients to die with dignity in a place of their choice.

We meet our aims through the following activities:

- Providing specialist palliative medical and nursing care in our In-Patient Unit (IPU) for critical and complex cases and in people's homes through our Hospice at Home team
- Working collaboratively to coordinate end of life and palliative care in the community across all stakeholders: the NHS, local GPs, Social Services and ourselves
- Therapeutic day care services for patients in the community
- Occupational therapy, physiotherapy, and complementary therapy services
- Providing family, spiritual and bereavement support
- Community and professional education.

Strategic report

Achievements and performance

The charity's main activities, and the people it seeks to help, are described below. All our charitable activities focus on the provision of specialist palliative care and support services to the terminally ill, their carers and family, and are undertaken to further St. Michael's Hospice's charitable purposes for the public benefit.

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2023/24 has been a challenging year but with many successes for the organisation. Service delivery, new income generation and expenditure control have all been effectively managed; however a real-terms reduction in commissioning income and a significant drop in legacy income have resulted in a large operating deficit. Despite this St. Michael's remains in a sound financial condition, effectively governed, with a solid multi-year plan to return to breakeven.

The Hospice is proud to be a person-centred organisation, focussed on our people serving those in our community, and the pursuit of excellence is embedded in all we do.

Significant Achievements

The following are key achievements for the past year:

- i. Refurbished all 10 patient rooms
- ii. Completed an energy project to reduce our energy consumption by 40% including the installation of solar panels
- iii. Undertook a review of our Retail structure and operations including the appointment of a new Retail Business Manager
- iv. Completed the launch of a refreshed brand

Principal activities and performance

Care Services provision

Specialist palliative and end-of-life care is provided both in patients' own homes and at the Hospice in either our In-Patient Unit or, for visiting day-patients, in our Living Well Centre.

Measuring performance of care provision can be difficult but we monitor key indicators from our VOICES survey and report on that below. More details on how we collect feedback is available later in the report.

In-Patient Unit (IPU)

The IPU provides 10 beds for those patients whose conditions are the most critical and complex and who would benefit from a period of intensive support.

- During this year, there were 231 (2022/23: 248) admissions to the IPU.
- The average length of stay was 9.4 days compared with 2022/23 which was 9.3, showing this is our standard length of stay. Although the Hospice UK benchmark is 14.36 days, this figure is probably inflated by the larger hospices and those with the ability to offer respite care.

For some, admission to the IPU enables the clinical team to treat and relieve symptoms associated with their illness, which means patients can then return home. This year, 86 patients were able to return home after a period in the IPU. The IPU staff start parallel planning for

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discharge from the start of the admission, resulting in early discussions with patients and families about what they need to be in place before discharge. We are then prepared for when the patient is well enough to be discharged. This involves the wider team, i.e. the Patient Flow Co-ordinator and Therapy department, to ensure that necessary Continuing Healthcare fast-track funding for packages of care and equipment are in place prior to discharge.

One of our aims is to 'ensure that all people with a life-limiting illness have access to the very best medical and nursing care and support wherever and whenever they require it, allowing them to be as free as possible from unpleasant symptoms and pain'. We strive to treat our patients and their loved ones with the utmost respect and dignity. Recent feedback has been:

"Mum said that she felt like a queen during her stay at St Michael's. The nursing staff and doctors couldn't do enough for her. We were so grateful for the care received. It was becoming so difficult to manage Mum's symptoms from home. It gave us the opportunity to spend some quality time with Mum".

"As a family we are overwhelmingly grateful for the incredibly kind and helpful care my sister received while under your team's expertise. It was an incredibly stressful and heartbreaking time for us, but it helped knowing my sister was receiving the very best care at St. Michael's Hospice. It was wonderful being able to visit her in such a lovely, caring environment and to be able to ask the staff questions and to have them explain very tactfully what we should expect as part of end-of-life care."

Another of our aims is to 'allow our patients to die with dignity in a place of their choice'... Achieving this can be difficult as the end of life may not always proceed in the way it was expected. In the year 2023/24 our In-Patient Unit supported 96% of patients to achieve their preferred place of death in the Hospice, a slight increase from 93% from the previous year.

The Inpatient unit has also been participating in a National Clinical Trial being undertaken by the University of Surrey – "A cluster randomised trial of clinically assisted hydration in patients in the last days of life". We were initially tasked to recruit 20 patients to the study, but as a result of our recruitment rate being so successful, we agreed to an increase in target recruitment to 30 patients. There have been 26 patients completing the trial as of the end of this reporting period.

Hospice at Home

The Hospice at Home service is provided 365 days a year from 08:00 to 20:00. It allows patients to remain in their own homes, where the majority want to be, while still receiving the Hospice's specialist palliative nursing care.

- In 2023/24 Hospice at Home completed 2,323 visits, compared to the previous years 1,867 visits, an increase of 24%.

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- 158 of these visits were completed with a Doctor, increasing the breadth of support offered by Hospice at Home.
- Over the course of the year visiting lengths have varied between 1 hour and 8 hours, reflecting the varying complexity of patients being seen.
- Hospice at Home helped 94% of patients achieve their preferred place of death in 2023/24.

“On behalf of our whole family I can only thank all members of the palliative care team with whom we came into contact – either in person or by phone – for the gentle, thoughtful care & support they gave us. They made a really horrid situation more bearable & my husband’s End of life an easy slipping away. We shall be forever grateful.”

Responder to our FAMECARE national survey.

The Hospice at Home team continues to provide seven days a week of administrative support in the hub team, which receives more than 1,000 calls per month from patients and their families who need support or guidance. This hub team have also been active in supporting the Hospice at Home team with administrative tasks – such as contacting GP practices regarding medications. The increased support from the hub team – both across 7 days, and in administrative tasks, continues to support the clinical teams, allowing for their specialist support to be utilised more effectively within the community setting.

Therapies

Our therapy team offers Physiotherapy and Occupational Therapy. Our therapists provide services to patients in the In-Patient Unit, in the community, in Living Well and the Motor Neurone Disease (MND) clinic. The team aim to help patients manage their symptoms better and optimise their independence and quality of life.

Therapy in the In-Patient Unit is aimed to help patients with; assessing moving and handling, mobility, balance and transfers; discharge planning including home assessment to help with adjustment of routines to enable patients to be able to return home; maintaining and improving their strength and balance by providing personalised exercises to complete independently or with support from family and carers. We also spend time with patients to help manage breathlessness and anxiety. This is often done jointly with other members of the wider Multi-Disciplinary Team. The therapy team also discuss end-of-life wishes, care and future planning. Patients are provided with equipment, alterations and adaptations to enable discharge home and help maintain a level of independence. Once patients are discharged, they are kept on the caseload for monitoring, support and intervention as necessary.

Therapy in the community completes holistic assessments in patient's own homes. This enables a true picture of how a patient is managing in their environment. Mobility, transfers and balance are reviewed, and seating, positioning, and pressure are assessed. Advice and support is given to patients and families making difficult decisions related to future deterioration in ability, for instance, one-level living. Equipment can also be prescribed after a thorough assessment to

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enable the patient to maintain their independence and live well at home. Outpatient appointments are offered where patients can visit the Hospice gym to try equipment and complete prescribed exercises with our physiotherapist.

Therapy supports MND patients providing practical, emotional and psychological support. Monthly MND clinics are held as well as visits to patients' homes. The team helps complete applications for specialist equipment and grants which are funded through the MNDA. Basic equipment is accessed via the Hampshire equipment store. Moving and handling advice is given and the Hospice provides posture, seating and pressure relief equipment, which plays a key role with this particular patient group. The team works very closely with the neurologist, palliative care consultant, nurse and support worker reviewing and assessing each MND patient regularly.

Patient and Family Support Team

The Patient and Family Support team covers bereavement services, chaplaincy, counselling, and complementary therapy. The focus this year has been on further developing the services and extending our reach to more patients and their families.

The **Bereavement Service** for family members, including children and carers, is provided by both staff and volunteers. The number of attendees at our Bereavement Support Groups has increased to 206 compared with 185 the previous year.

The monthly Bereavement Coffee Mornings continue to be popular and well attended. The total number of attendees in the year was 129, compared to 117 last year. There are plans to extend this service into the Alton area from September 2024.

The Bereavement Evenings, held on alternate months to support newly bereaved relatives, has attracted less attendees with 24 attending this year compared to 59 last year. All bereaved relatives are now sent an information leaflet on Understanding Bereavement, which may explain the lower attendance at these sessions.

"It was helpful listening to other people sharing their stories"

"Connecting to others who are grieving and listening to what works for them"

"Knowing that how you are feeling is normal"

Feedback from Bereavement Evening Attendees

The Bereavement Walk and Talk continues to be held on the third Friday of the month, the total number of attendees in the year has increased from 9 to 18 and clearly meets the needs of the small number of individuals who regularly attend.

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In February we ran our first Bereavement Journey Course, which supported a group of 7 relatives across 7 weeks and was very well received. There is a plan to fund further courses during the year.

"Being able to openly talk about how I feel, relating to others, being able to be with others who understand how I feel. A lovely group to work with"

"Group helping each other through difficult times. Knowing I am not alone helped"

Feedback from The Bereavement Journey

All of the services offered allow those grieving to meet others going through a similar experience, build their support networks and access additional support as required.

The **Counselling Service** is offered to all those affected by a life-limiting illness, as well as those who are coping with grief. Our two part-time counsellors have seen an increase in referrals and provided 526 counselling sessions compared with 411 the previous year.

"I feel a lot stronger to deal with certain issues since my counselling"

"Provided a safe space to talk about deep feelings and to discuss methods of managing present and future emotions"

"I'd recommend bereavement services to all people as it's good to talk to someone who will not judge you, will comfort you and will be ok if you cry. I'm ever so grateful that I was able to get this support which was very much needed"

Feedback from Counselling Clients.

The availability of a **Chaplain** to provide listening, emotional and spiritual support has proved greatly beneficial to our patients and the service. The Chaplain service is provided Monday to Friday by one contracted member of staff and one volunteer. In September a service level agreement with Hampshire Hospitals NHS Trust was agreed, which provides emergency on-call chaplaincy cover to our patients and their families out of hours and at weekends. Our Chaplaincy Service is designed to cater for all faiths and includes those who do not see themselves as having a faith. During the year, 721 chaplaincy visits were made compared with 694 the previous year. To support staff with the emotional demands of working in end-of-life care, a counsellor and chaplain from the team provide regular supervision to staff as well as ad-hoc reflection sessions in the newly refurbished Sanctuary.

The **Complementary Therapy Team** has continued to grow during the year. They provide a 5-day service to patients, carers, and relatives, working on the Inpatient Unit, in the Living Well Centre and in people's homes where necessary. The therapists work alongside the nursing and

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medical staff offering treatments to help symptom management including massage, reflexology, and Reiki. In the past year, the complementary therapists provided 780 treatments compared with 706 the previous year. In response to clients offering to pay for additional treatments, a new payment scheme was set up in May 2023 which gives users of the service the opportunity to pay £20 for an additional three sessions and £40 for a final three sessions. Between May 2023 and April 2024, the new scheme has generated £3,030.

"The therapies have had a tremendous help on both my physical and mental health allowing me a brief moment of calm in what is currently a tumultuous world"

"It has made my whole body feel relaxed even though only working on my feet. After a session of reflexology my anxiety from living with cancer feels all gone"

"It has made me feel very relaxed not only reflexology to help my feet but therapist is so helpful listening to my worries"

Feedback from Complementary Therapy Clients

Other related activities

Education and Training

Education, training, and professional development opportunities are crucial for ensuring that healthcare professionals can deliver the high-quality, evidence-based care and support that we strive for at St. Michael's Hospice. New initiatives over the last year demonstrate a commitment to improving patient care, fostering collaboration, and staying up to date with the latest advancements in palliative care.

Our Bluestream online system allows all staff to complete mandatory training, ensuring compliance with requirements and ensuring the workforce remains up-to-date.

All staff are encouraged and supported with ongoing professional development. Staff continue to have an annual appraisal; this allows the recognition of outstanding work, allows for the identification of areas of concern, and supports the continuing professional education and development of individuals in line with the Hospice's strategic plan. This annual review, supported by regular one-to-ones, helps foster open communication, accountability, and a culture of continuous learning.

A new initiative, the "Learning Partnership", has started between the Hospice at Home team and the Community Palliative Care Service run by Hampshire Hospitals. This collaborative approach sees nurses from both teams partner up and jointly care for patients throughout their journey, from referral to end-of-life. This is an excellent way to promote understanding, knowledge-sharing, and professional development across services and organisations.

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The Hospice continues to welcome nursing students from the Universities of Southampton, Winchester and Surrey and has now extended its reach to Allied Health Professionals including Occupational Therapists and Physiotherapists.

Clinical supervision plays a crucial role in providing a safe psychological space for clinicians in which to discuss challenges, receive emotional support, and address potential biases or blind spots. All patient-facing staff have access to monthly Clinical Supervision sessions and are required to attend 5 sessions a year.

By protecting time for continuing education and providing training opportunities, St Michael's continues to demonstrate a commitment to excellence and investing in its clinical workforce. This not only ensures patients receive the safest, most effective, and compassionate care possible but also supports staff retention.

Transformation

Alongside our ongoing investment in IT infrastructure, the Hospice has made significant advances in the past year, with some notable highlights.

After analysing energy usage data, a business case demonstrated that investing in the internal energy infrastructure could yield a significant return on investment and significantly reduce the organisation's carbon footprint. Over 40% reductions in costs and carbon emissions are forecast from major electrical work on HVAC systems and the installation of a large photovoltaic array. Hospice UK invited the Hospice to showcase its ground-breaking efforts as a guest speaker at its national conference and serve as a model for others to follow. Multiple hospices have visited to observe the proactive and forward-thinking strategy implemented.

Following last year's complete renovation of public areas and office spaces, all patient rooms have received a much-needed refurbishment this year. Funded by a successful trust application, the project has transformed patient rooms into stylish and comfortable 'hotel-style' rooms while remaining practical for clinical demands. Feedback from patients, staff, and visitors has been exceptional.

Staff engagement and support

Each month, we hold an online Staff Forum, chaired by the CEO, with all staff welcome and encouraged to attend. To ensure that as many staff can attend as possible, the Forum is held online – meaning it is accessible to staff not based on the Hospice site. After the forum, all information, including the presentations, is uploaded to the staff intranet for access if staff are unable to attend and reference if staff want to go back to information given.

We continue to recognise long service and celebrate PRIDE nominations in the Forum. We have received 87 PRIDE nominations in 2023/24 and the programme continues to be successful at the end of its second year. Nominations are shared and celebrated at our Staff Forum, and on our social media channels – and are well received by our external audiences too.

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To support staff with their health and wellbeing, we have actively promoted our employee assistance programme available to our staff. This provides them with access to treatments for body and mind, and money back on everyday health. We invested during the year in the training of four mental health first aiders from across the organisation to support our staff who may be experiencing a mental health crisis.

We have had a successful year with our recruitment and retention, resulting in being close to fully staffed at the end of the year. This, coupled with inflationary pay rises of c. 5%, in line with the NHS, has resulted in a 9% increase in salaries, and 10% in staff, many of whom are part-time.

Patient and Family Feedback

Gathering feedback from those who use our services is vital for continued learning, growth and the promotion of a culture of transparency.

Feedback results are monitored on an ongoing basis by our Patient and Family Support Team Lead so that any important issues are immediately passed for follow up to senior members of the Clinical Team and the Senior Leadership Team where necessary. All the results are collated annually and published on our website.

There are three ways that we collect data:

Our **Voices Survey** is mailed to all families 10 weeks following a bereavement. This survey gathers feedback on the In-Patient Unit, Hospice at Home and circumstances surrounding the death. Between 1 January and 31 December 2023, a total of 171 surveys were sent out and 78 were returned for analysis giving a 46% response rate. 94% of those taking part in the survey rated their experience of St. Michael's Hospice at Very Good.

Friends and Family Test, as measured via Your Experience Matters Postcards and VOICES Survey, for which we had a total of 103 responses and a 100% Very Good/Good rating.

FAMCARE is an annual audit run by the Association of Palliative Medicine (APM) which St. Michael's Hospice participated in during 2023. It consists of a survey which is sent to recently bereaved relatives covering several different aspects of care which the patient received. Surveys were sent out from the 1st of August 2023 to the 30th of September 2023 and covered deaths between the 1st of June to the 30th of August 2023. Results from the national audit were published in March 2024. The aim of FAMCARE is to evaluate the care offered to patients and their relatives from specialist palliative care services. A total of 58 services participated delivering a total of 1129 surveys. SMH response rates were as follows:

Type of Service	SMH Response Rate	National Response Rate
Hospice Inpatient Unit	53% (19/36)	44.5%
Hospice at Home	19% (7/37)	29.7%

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All our responses were Satisfied or Very Satisfied, however, there were 2 responses showing dissatisfaction around communication and out of hours support. These responses were investigated by the team and were found to stem predominantly from the wider healthcare system, however in-house communication skills training has been completed as part of our planned ongoing commitment to staff training and development.

Hospice User Group continues to be held on a quarterly basis and now comprises 12 members. The purpose of the group is to give those service users a voice in how we develop our services for the future and identify areas of improvement. During 2023 the group were consulted about a range of projects including patient room upgrades, hospice brand refresh, clinical staff uniforms and bereavement support services.

Income generation

The Hospice relies on a wide range of income generation activities to fund services, as statutory funding from North Hampshire ICB only covering 16% of the costs required to run our services.

The development of future services and the implementation of our strategy rely on our ability to generate significant additional funding. While all our services relieve pressure on our NHS colleagues by preventing hospital admissions, the substantive yearly grant from the NHS has not been significantly increased for several years.

This, of course, makes the sustainability of services more challenging. Therefore, we rely on our income-generation activities to provide most of the income for current and future services.

Fundraising

The unwavering support of our local community and their generous responses to appeals and campaigns, continue to be crucial to our success. The trust built with our supporters and the engagement we maintain through regular communications and social media activity are key factors in our achievement.

Income from donations and events was £995,000 (2023: £893,000). This 11% increase from last year is a great achievement during a challenging economic climate. One of the key highlights was the success of our Moonlight Walk in September 2023, which had 722 participants take part (previous year 298) and raised £67,000 (last year £22,000).

Legacy income of £410,000 (2023: £732,000) was down considerably on last year. Legacies, by their very nature, are not predictable. Our focus in 2024 will be to implement a new Legacy Marketing Strategy to increase awareness amongst our supporters of the important part legacies play in funding end-of-life care.

Net profit from the Lottery and scratch cards fell slightly to £124,000 (2023: £153,000). In the future, we hope to see an improvement in lottery income following joining Local Hospice

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Lottery as a partner hospice in 2024. Local Hospice Lottery is a collaborative lottery model which supports 36 individual hospices across the UK. Due to economies of scale, we will benefit from reduced overheads and increased marketing and promotion of the Lottery to our supporters.

We are also supported by The Friends of St. Michael's Hospice, who have been fundraising for us since the Hospice's inception, contributing £81,000 this year (2023: £105,000).

Retail

The Hospice's retail shops, including e-commerce, continue to perform strongly, and income has increased this year to £2,197,000 (2023: £2,060,000). After costs, the Retail contribution was £751,000 (2023: 642,890). This is a great result, and we recognise the hard work of the employees and volunteers in the retail division who contributed to it.

The portfolio comprises 11 retail stores, one dedicated to selling furniture, and an e-commerce department. A Donation Centre, where donations are dropped off and sorted is also run. To optimise the profitability of our retail portfolio, we underwent a Retail Review in 2023 and have started implementing some of the recommendations from this report, including recruiting a new Retail Business Manager to drive these changes forward.

Code of Fundraising Practice

St Michael's Hospice is registered with the Fundraising Regulator and complies with all the relevant standards in the Code of Fundraising Practice, including protecting vulnerable persons. This report covers the requirements charities must follow as set out in the Charities Act 2016.

The Hospice only works with professional fundraising agencies who can demonstrate a proven track record of best practices in the sector and compliance with the Fundraising Regulator.

Compliance with the General Data Protection Regulations (GDPR) is ensured by regularly reviewing policies and practices relating to personal data. Legitimate interest is relied upon as the legal basis for processing data and the Hospice follows the principle of only communicating to supporters about activities we believe they would be interested in. All supporters are provided with clear and easy opportunities to change their communication preferences at any time. Our Privacy Notice is available on our website.

The fundraising team also receives weekly reports from the Fundraising Preference Service, ensuring they can swiftly act to protect anyone who has requested that they not hear from us. There have been no requests through this service since 2017. No complaints were received through other channels either.

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Financial review, Reserves Policy and Going Concern

The Hospice had an operating deficit of £619k compared to an £89k deficit the prior year; the shortfall was due to low legacy income and an insufficient 1.6% increase in Commissioning Income. Excluding legacies, our Income Generation Teams performed extremely well during the year, exceeding all targets.

Investments in the retail restructure, energy saving initiatives and the brand refresh were successfully completed within the organisation's original cost budget meaning that, despite the shortfalls in two significant income streams, the net deficit increased by only £189k over budget.

Investments

The Hospice invests in two investment funds managed by CCLA Fund Managers Ltd. The Investment Committee meets with the fund manager, usually annually, to review the investment performance and their continued suitability. The total returns for the year were:

	Return	Benchmark
COIF Charities Investment Fund	12.16%	16.72%
COIF Ethical Investment Fund	13.11%	16.72%
COIF Deposit Fund	4.85%	5.05%

The Investment Policy is being updated ahead of the July 2024 Finance & General Purposes Committee, off the back of this the Hospice will go out to tender for investment managers.

Reserves Policy

General Reserves

The charity aims to hold sufficient general reserves to protect against a sudden short-term decline in income so that essential services can continue to be provided to our patients and their families. If the level of income is not restored, the Trustees have time to plan and implement change in a controlled way. The Trustees have reviewed the risks associated with income and expenditure and believe that cover for six months' expenditure, net of guaranteed income, should be sufficient to allow this to happen.

We review this policy annually, considering the current challenges the Hospice is facing and the ongoing investment priorities which may require designated funds. Further consideration is also given to the impact of a deficit budget and existing capital commitments. The budget for the coming year, considering all these factors, is then used to work out the level of general reserves required to fund Hospice services for six months, and any designated reserves necessary to support our strategic priorities. This minimum target level of reserves is calculated as £2,615,000 at 31 March 2024. Our general reserves at the year-end excluding designated reserves were £2,562,000, just slightly short of this target. In addition we held £2,511,000

**St. Michael's Hospice (North Hampshire)
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Trustees' annual report

For the year ended 31 March 2024

designated reserves which form part of our general reserves as they are at the discretion of our trustees.

The Finance and General Purposes Committee meets quarterly to review the financial performance of the charity, future forecasts and review our performance against our reserves target.

Designated Reserves

Designated reserves are funds set aside by Trustees to meet essential future spending, including operational and capital projects. Annually, based on the priorities included within the budget for the coming year, the Trustees agree funds which should be designated for the coming year. The designated funds at 31 March 2024 were:

- £76k Capital Projects Fund – This fund sets aside reserves for agreed capital projects to be completed prior to 31 March 2024.
- £54k Insurance Fund – this is being written down against the increased premium resulting from the Covid-19 business interruption claim.
- £363k Fixed Asset Fund – The Hospice recognises that money tied up in fixed assets is not readily available to support business operations and should not be recognised within general reserves; this fund represents the value of unrestricted funds tied up in assets.
- £1,160k Operating Fund – This represents the reserves needed to cover the forecast deficits for the next three years while the hospice returns to a breakeven position.
- £858k Legacy Contingency Fund – this fund includes the difference between the 2024/25 budget for legacies and the known pipeline, recognising the risk and uncertainty with budgeting legacies.

Fair Value Reserve

A full review of the reserves policy was completed and approved in July 2024, as part of this process the fair value reserve was release to general funds as there is no requirement under the SORP to hold a fair value reserve. The £1,873k held in the fair value reserve at 31 March 2024 has been transferred out into three separate funds with £417k added to the legacy contingency fund, £1,160k to the operating fund and £296k released to general funds.

Restricted Reserves

Restricted reserves represent donations or grants received for a specific purpose and do not form part of General Reserves. There are three main types of restricted funds:

Property

Restricted donations were received for various large building projects which were all completed by April 2014. Restricted reserves are held to cover the depreciation costs of these buildings.

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Equipment and support programmes

Where funding has been received for specific use and has not been expended in the year.

Funds received and spent in the same year

Most funds received in the year are expended during the year on the day-to-day operation of the Hospice, particularly staff costs (which are over 70% of the total cost of operating the Hospice).

Patient Room Refurbishment

This was a new project for 2023/24, this fund will be written down over 5 years in line with the depreciation accounting policy.

Investment Policy

The Hospice has total net assets of £5.6m, of which £0.9m is fixed assets including property, £4.1m is investments and £0.6m is net current assets. Of the net current assets, £0.8m is cash held by the investment managers which is readily available to support operating activity. The remaining –£0.2m is operating net current liabilities.

The Hospice's cash objective is to hold in cash £360,000 at the end of each month to cover the following month's salary costs. Ordinarily quarterly cashflow forecasts are produced, however for 2024/25 where a high deficit budget of £604k has been set, these forecast are being updated monthly and shared on the monthly financial KPI dashboard with the Senior Leadership Team (SLT) and the Finance and General Purposes Committee (FGPC).

Where a decision is made to invest surplus funds in long term investments the following investment objectives apply:

- Invest through diversified funds
- Income yield in excess of 2.5%
- Total Return Performance objective to match or exceed composite benchmark and peer group benchmark on a 3–5 year time horizon (see below)

Going Concern

The Trustees are satisfied that the Hospice is a Going Concern; the Hospice is holding sufficient reserves at the year end and, having considered the impact of a 10% drop in income, they are satisfied that charity could continue in operation for a period of at least 18 months from the signing of these accounts.

Principal risks and uncertainties

The Hospice has monitoring systems in place for financial, clinical, and organisational risk. The CEO and Trustees continuously review the Risk Management Register during the year. High level risks, defined as those which have a risk of 15/25, are reported to the Board, by the CEO, on a quarterly basis. The SLT regularly monitor risks and work constantly to mitigate impact.

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The main risks at the 31 March 2024 are:

Inconsistent compliance with established medicine-related Policies and Procedures:

Following a full review by the new Clinical Director, a focus on reporting and procedures in relation to medicines has been established in conjunction with the Clinical Governance Committee. The system in place for managing incident reporting relies on paper and human factors which presents a risk. Options for a more secure in-house reporting system is currently under review by the Clinical Leadership Team in conjunction with the Director of Transformation.

• **Legacy Income:**

The lack of Legacy income has been well discussed at multiple committees and Board meetings. An additional marketing post has been approved for the coming Financial Year which will focus on a Legacy campaign. The Legacy pipeline will be reviewed monthly by the SLT, before reporting to the FGPC as part of the newly established finance monitoring process linked to the 4-year plan.

Insufficient funding for sustained period:

The challenging income targets set for the Income Generation Team will be reviewed monthly by the SLT as part of the newly established finance monitoring process linked to the 4-year plan.

ICB Funding:

Our funding from the ICB still represents less than 16% of operating costs and St. Michael's remains one of the most poorly funded Hospices under the HloW ICB. The CEO continues to liaise with commissioners and individuals within the operational team at the ICB to raise this issue and work towards an equitable funding model within the county.

Plans for the future

The Hospice has continued to work on the five-year strategy launched in March 2020 and progress has been made in many areas, particularly through developing community and outpatient services, and enhancements to the built environment.

Looking to the coming year, we are focussing on meeting strategic objectives in the following ways:

Investing in People; *In the next twelve months, focus will be centred on delivering an e-Roster system for clinical staff, developing a clinical leadership and nursing competencies programme and establishing the final module of the SMH Leadership & Management Programme through the delivery of a 'Rising Stars' aspect. In preparation for the next strategic period, the HR Manager will finalise the People Strategy ready for the launch in April 2025.*

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Estate and Operations; *Energy and sustainability work will continue along with a programme to identify cost efficiencies within contracts, agreements and working practices.*

Financial Balance; *The retail team will continue to follow recommendations and changes as a result of the Retail Review. A new scheme of work will begin on the Major, and Mid, Donor Development Programme to engage and cultivate prospective supporters. Legacy marketing will be a considerable focus in the coming year to address the long term sustainability of this vital source of income.*

Enhancing Services; *The team will continue to pursue the establishment and development of virtual wards, Living Well Services, and 24/7 Hospice at Home. There will also be concentration on patient outcome data to monitor activity and acuity, as well as facilitate meaningful grant funding discussions with the ICB.*

Structure, governance and management

The company was established on 5 March 1991 under a Memorandum of Association which set down the objects and powers of the charitable company and is governed under its articles of association and was registered as a charity on 10 May 1991.

Governance

St. Michael's Hospice is governed by the Board with each member in accordance with the Charities Act serving as a Trustee. The Board is responsible for approving the strategic plan and the annual budget and ensuring that sufficient resources are provided to allow the Hospice to fulfil the purpose for which it was established.

All Trustees give their time voluntarily and receive no benefits from the charity. The Trustee Board meets quarterly and there are three Board sub-committees; Finance & General Purpose (including remuneration and investment committee), Income Generation, and Clinical Governance.

Appointments to the Board are approved by the current Trustees and ratified at the subsequent Annual General Meeting.

The current and future Trustee base is seen as representing a good cross-section of accounting, medical, business and corporate governance, and local community input.

Management

Operational activities are delegated to employed staff via the Chief Executive who is responsible to the Board for overall management of the business and the provision of care and services which in the role of Responsible Individual meet the requirements of the Health and Social Care Act 2008 and comply with guidance provided by the Care Quality Commission.

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The **Senior Leadership Team** at St. Michael's Hospice ensures strategic direction is maintained and is led by the Chief Executive. Members of the team are:

- Director of Income Generation
- Director of Transformation
- Finance Director
- Medical Director
- Clinical Director

The **Clinical Management Team** (CMT) are responsible for dealing with the day-to-day clinical operations of St. Michael's Hospice. CMT includes the Medical Director, Clinical Director, Hospice at Home Lead, Patient and Family Support Lead, Therapy Lead, IPU Lead and Senior Speciality Doctor.

The **Governance Team** oversees the development and implementation of clinical governance within the Hospice and ensures legal and operational responsibilities are fully discharged. Roles represented on the team are:

- Caldicott Guardian
- Serious Information Risk Owner (SIRO)
- Data Protection Officer (DPO)
- Health and Safety Officer
- Registered Manager
- Controlled Drugs Accountable Officer (CDAO)
- Safeguarding Lead

The Chief Executive meets regularly with the Chair and other Trustees to discuss issues and progress against objectives.

Appointment of Trustees

New Trustees are identified through the use of a skills matrix necessary to support all areas of St. Michael's as both a charity and provider of healthcare services. One new Trustee was recruited during the year following one retirement. A Trustee with retail experience was recruited as a result of the skills gap identified.

New Trustees are proposed by either internal or external recommendation or recruitment and are generally interviewed by the Chair, Chief Executive, and appropriate Chair of sub-committee. All Trustees are then invited to comment confidentially on suitability prior to a vote of the Board of Trustees being taken.

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Trustee induction and training

Trustees receive a comprehensive briefing on the role and have access to an induction pack along with documentation on the Hospice's policies and procedures. Trustees are expected to attend an away day, focussed on training and effectiveness which is held annually.

Related parties and relationships with other organisations

St. Michael's Hospice works closely with Hampshire Hospitals NHS Foundation Trust and the Hampshire and Isle of Wight Integrated Care Board.

St. Michael's Hospice worked in partnership with Odiham Cottage Hospital (OCH) to provide enhanced Hospice at Home care within that area. OCH provided a total of £15,000 (2023: £22,500) of income to the Hospice during the year. In the past, St. Michael's also provided befriending services through OCH but this service is now managed by that Trust.

As a member of Hospice UK, the Hospice works with regional hospice Chief Executives, sharing data and experiences. In addition, the Chief Executive plays an active role in supporting a regional independent hospice network through communication and collaboration.

The Director of Transformation is tasked with stakeholder engagement and management and works collaboratively with organisations across the local healthcare system such as Hampshire Hospitals Foundation Trust, the Integrated Care Board and Southern Health.

The Medical Director is a member of Hampshire and IOW Palliative and End of Life Board that informs decision making for the Integrated Care System.

Remuneration policy for key management personnel

The Finance Committee meets to establish the Chief Executive's, and other executives' remuneration packages on an annual basis. All recommendations made by the committee are approved by the Board.

As part of the remuneration process, the Finance and General Purposes Committee fully considers recommendations of the Association of Chief Executives of Voluntary Organisations (ACEVO) and completes a benchmarking process across the Hospice sector.

Overall salary funding is part of the annual budget process, and within that approved budget the Chief Executive agrees with the Finance and General Purposes Committee the individual awards for key personnel.

**St. Michael's Hospice (North Hampshire)
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Trustees' annual report

For the year ended 31 March 2024

Statement of responsibilities of the Trustees

The Trustees (who are also directors of St. Michael's Hospice for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees for 2023 was 28

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(2022: 35). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 5 August 2024 and signed on their behalf by

D. Salisbury
Chairman

Independent auditor's report

To the members of

St Michael's Hospice (North Hampshire)

Opinion

We have audited the financial statements of St Michael's Hospice (North Hampshire) (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 St Michael's Hospice's (North Hampshire) 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.

Independent auditor's report

To the members of

St Michael's Hospice (North Hampshire)

Other Information

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

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' annual report, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being

Independent auditor's report

To the members of

St Michael's Hospice (North Hampshire)

satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, internal audit and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

Independent auditor's report

To the members of

St Michael's Hospice (North Hampshire)

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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.

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

Use of our report

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

Fleur Holden (Senior statutory auditor)

19 August 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 110 Golden Lane, LONDON, EC1Y 0TG

St. Michael's Hospice (North Hampshire)

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2024

	Note	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Income from:							
Donations and legacies	2	1,467,009	261,802	1,728,811	1,799,902	79,280	1,879,182
Charitable activities							
Specialist palliative care	3	1,018,745	-	1,018,745	1,009,753	96,212	1,105,965
Other trading activities							
Retail	4	2,196,941	-	2,196,941	2,059,773	-	2,059,773
Lottery and Events	4	423,558	-	423,558	407,979	-	407,979
Investments	5	165,290	-	165,290	132,672	-	132,672
Total income		5,271,543	261,802	5,533,345	5,410,079	175,492	5,585,571
Expenditure on:							
Raising funds	6						
Retail		1,632,209	-	1,632,209	1,614,791	-	1,614,791
Cost of raising funds		771,521	-	771,521	624,923	-	624,923
Charitable activities	6						
Specialist palliative care		3,522,153	226,524	3,748,677	3,207,643	227,107	3,434,750
Total expenditure		5,925,883	226,524	6,152,407	5,447,357	227,107	5,674,464
Net (expenditure)/income before net (losses)/gains on investments		(654,340)	35,278	(619,062)	(37,278)	(51,615)	(88,893)
Net gains/ (losses) on investments		351,418	-	351,418	(158,059)	-	(158,059)
Net (expenditure)/income for the year and net movement in funds	7	(302,922)	35,278	(267,644)	(195,337)	(51,615)	(246,952)
Reconciliation of funds:							
Total funds brought forward		5,375,667	505,124	5,880,791	5,571,004	556,739	6,127,743
Total funds carried forward		5,072,745	540,402	5,613,147	5,375,667	505,124	5,880,791

All the above results, other than those stated under discontinued operations, continued throughout the year. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21 to the financial statements.

St. Michael's Hospice (North Hampshire)

Balance sheet

Company no. 02588395

As at 31 March 2024

	Note	2024 £	2023 £
Fixed assets:			
Tangible assets	12	885,799	808,461
Investments	13	4,097,951	3,746,533
		<u>4,983,750</u>	<u>4,554,994</u>
Current assets:			
Debtors	14	322,698	364,046
Cash at bank and in hand		802,805	1,549,040
		<u>1,125,503</u>	<u>1,913,086</u>
Liabilities:			
Creditors: amounts falling due within one year	15	(496,106)	(587,289)
		<u>629,397</u>	<u>1,325,797</u>
Net current assets			
		<u>629,397</u>	<u>1,325,797</u>
Total net assets	18	<u>5,613,147</u>	<u>5,880,791</u>
Funds:	19		
Restricted income funds		540,402	505,124
Unrestricted income funds:			
Fair value reserve		–	1,521,600
Designated funds		2,510,760	1,157,450
General funds		2,561,985	2,696,617
		<u>5,072,745</u>	<u>5,375,667</u>
Total unrestricted funds		<u>5,072,745</u>	<u>5,375,667</u>
Total funds		<u>5,613,147</u>	<u>5,880,791</u>

Approved by the trustees on 5 August 2024 and signed on their behalf by

D Salisbury
Chairman

St. Michael's Hospice (North Hampshire)

Statement of cash flows

For the year ended 31 March 2024

Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2024 £	2023 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(267,644)	(246,952)
Depreciation charges	109,192	89,250
(Gains)/ Losses on investments	(351,418)	158,059
Dividends and interest from investments	(165,290)	(132,672)
Decrease in debtors	41,348	505,754
Decrease in creditors	(91,183)	(36,231)
Net cash (used in)/ provided by operating activities	(724,995)	337,208

	Note	2024 £	£	2023 £	£
Cash flows from operating activities					
Net cash (used in)/ provided by operating		(724,995)		337,208	
Cash flows from investing activities:					
Dividends and interest from investments		165,290		132,672	
Purchase of fixed assets		(186,530)		(105,559)	
Net cash (used in)/ provided by investing activities		(21,240)		27,113	
Change in cash and cash equivalents in the year		(746,235)		364,321	
Cash and cash equivalents at the beginning of the year		1,549,040		1,184,719	
Cash and cash equivalents at the end of the year		802,805		1,549,040	

1 Accounting policies

a) Statutory information

St. Michael's Hospice (North Hampshire) is a charitable company limited by guarantee and is incorporated in England.

The registered office address is Basil de Ferranti House, Aldermaston Road, Basingstoke, Hampshire, RG24 9NB.

b) Basis of preparation

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)– (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from insurance claims is recognised when the income criteria is met and the value is considered measurable.

1 Accounting policies (continued)

e) Income (continued)

For legacies, entitlement is taken as the earlier of the estate accounts have been drafted and notification has been made by the executor(s) to the charity that a distribution will be made or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. 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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Interest and dividends receivable

Interest and dividends on invested funds and funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon receipt of the funds.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are funds allocated by the trustees for specific projects, risks or costs.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Retail is the cost incurred in operating the retail shops.
- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities is the costs of delivering the core palliative care services undertaken to further the purposes of the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to the cost of raising funds. Costs which cannot be directly attributed are allocated based on the head count in each department, which works out as the following percentages for both this and the previous year:

- | | |
|------------------------------|----------------------|
| ● Retail | 26% (prior year 26%) |
| ● Cost of raising funds | 9% (prior year 6%) |
| ● Specialist palliative care | 65% Prior year 68%) |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. They are allocated on the following basis which is representative of the estimated time spent on each area of the business:

- | | |
|------------------------------|-----|
| ● Retail | 25% |
| ● Cost of raising funds | 25% |
| ● Specialist palliative care | 50% |

1 Accounting policies (continued)

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Tangible fixed assets are capitalised where the purchase price exceeds £10,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided on all tangible fixed assets other than land, at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives are as follows:

- | | |
|------------------------------------|---------------------|
| ● Freehold Buildings | 20 years |
| ● Fixtures, fittings and equipment | Between 4 & 5 years |

l) Investments

Listed 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. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet.

Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Stocks

Stocks of goods for resale in the shops are not included in the accounts. It is deemed that the effort required to value the high volume and low individual value of the stock outweighs any benefit of including stock in the financial statements.

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors and provisions

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

q) Pensions

The charity contributes to the NHS Superannuation pension scheme for certain qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The pension charge represents contributions payable by the charity to the fund. It is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities. It is therefore accounted for as though it were a defined contribution scheme.

The charity also provides a defined contribution pension scheme for employees other than those within the NHS superannuation pension scheme and contributes up to 6% of basic salary. Contributions are recognised when due.

St. Michael's Hospice (North Hampshire)

Notes to the financial statements

For the year ended 31 March 2024

2 Income from donations and legacies

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Donations	1,056,891	261,802	1,318,693	1,068,023	79,280	1,147,303
Legacies	410,118	-	410,118	731,879	-	731,879
	<u>1,467,009</u>	<u>261,802</u>	<u>1,728,811</u>	<u>1,799,902</u>	<u>79,280</u>	<u>1,879,182</u>

In addition to the legacies above, we had no contingent legacy assets at 31.03.24 which could be reasonably valued (2023: £264,000). In 2023, these related to three estates where we were named beneficiaries, probate had been granted and property was in the process of being sold.

3 Income from charitable activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Income from North Hampshire Clinical Commissioning Group	939,574	-	939,574	923,869	-	923,869
Income from Odiham Cottage Hospital	15,000	-	15,000	22,500	-	22,500
Covid 19 related funding from HM Government, NHSE and Local Authorities	-	-	-	-	96,212	96,212
Other income	64,171	-	64,171	63,384	-	63,384
Total income from charitable activities	<u>1,018,745</u>	<u>-</u>	<u>1,018,745</u>	<u>1,009,753</u>	<u>96,212</u>	<u>1,105,965</u>

Covid Funding was received from the Clinical Commissioning Group and Hospice UK in response to the Omicron COVID variant, and Local Authority Grants for retail premises.

Hospice UK administered Omicron response funding to allow the hospice to make available bed capacity and community support from mid-December 2021 to March 2022.

4 Income from other trading activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Retail	2,196,941	-	2,196,941	2,059,773	-	2,059,773
Lottery	244,714	-	244,714	262,128	-	262,128
Events	178,844	-	178,844	145,851	-	145,851
	<u>2,620,499</u>	<u>-</u>	<u>2,620,499</u>	<u>2,467,752</u>	<u>-</u>	<u>2,467,752</u>

5 Income from investments

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
COIF Charities Investment Funds	160,737	-	160,737	130,149	-	130,149
Bank interest	4,553	-	4,553	2,523	-	2,523
	<u>165,290</u>	<u>-</u>	<u>165,290</u>	<u>132,672</u>	<u>-</u>	<u>132,672</u>

St. Michael's Hospice (North Hampshire)

Notes to the financial statements

For the year ended 31 March 2024

6a Analysis of expenditure (current year)

	Raising funds		Charitable activities	Support and governance costs £	2024 Total £	2023 Total £
	Retail £	Cost of raising funds £	Specialist palliative care £			
Staff costs (Note 8)	836,306	421,325	2,779,922	493,011	4,530,564	4,166,015
Direct care costs	–	–	177,112	–	177,112	167,624
Direct cost of generating funds	152,959	211,236	–	–	364,195	320,532
Premises	382,085	17,400	56,394	9,615	465,494	463,780
Legal and professional services	21,890	17,792	107,007	23,769	170,458	135,354
Equipment, supplies and consumables	52,026	30,820	93,415	67,702	243,963	265,937
Depreciation & dilapidations	28,230	–	89,196	4,356	121,782	100,038
Other costs	1,729	4,859	34,686	37,565	78,839	55,184
	1,475,225	703,432	3,337,732	636,018	6,152,407	5,674,464
Support costs	145,465	56,570	387,907	(589,942)	–	–
Governance costs	11,519	11,519	23,038	(46,076)	–	–
Total expenditure 2024	1,632,209	771,521	3,748,677	–	6,152,407	
Total expenditure 2023	1,614,791	624,923	3,434,750	–		5,674,464

St. Michael's Hospice (North Hampshire)

Notes to the financial statements

For the year ended 31 March 2024

6b Analysis of expenditure (prior year)

	Raising funds		Charitable activities	Support and governance costs £	2023 Total £
	Retail £	Cost of raising funds £	Specialist palliative care £		
Staff costs (Note 8)	797,758	321,556	2,578,631	468,070	4,166,015
Direct care costs	–	–	167,624	–	167,624
Direct cost of generating funds	138,727	181,805	–	–	320,532
Premises	383,121	23,400	53,062	4,197	463,780
Legal and professional services	46,799	5,248	56,190	27,117	135,354
Equipment, supplies and consumables	65,022	31,093	103,327	66,495	265,937
Depreciation & dilapidations	25,197	–	71,592	3,249	100,038
Other costs	4,437	2,901	22,663	25,183	55,184
	1,461,061	566,003	3,053,089	594,311	5,674,464
Support costs	144,276	49,466	362,752	(556,494)	–
Governance costs	9,454	9,454	18,909	(37,817)	–
Total expenditure 2023	1,614,791	624,923	3,434,750	–	5,674,464

Notes to the financial statements

For the year ended 31 March 2024

7 Net income/(expenditure) for the year

This is stated after charging/ (crediting):

	2024 £	2023 £
Depreciation	109,192	89,250
Profit on disposal of fixed assets	(2,000)	-
Operating lease rentals:		
Property	320,842	333,702
Other	49,191	44,891
Auditor's remuneration (excluding VAT):		
Audit	15,950	14,900
Other services – tax advice/ services	-	3,000
	<u>109,192</u>	<u>89,250</u>

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	3,879,317	3,563,861
Social security costs	274,010	262,757
Employer's contribution to pension schemes	348,126	300,592
Other forms of employee benefits	29,111	28,805
Termination costs – paid	-	10,000
	<u>4,530,564</u>	<u>4,166,015</u>

The following number of employees received employee benefits (excluding employer pension costs and employers national insurance), of over £60,000 during the year as follows:

	2024 No.	2023 No.
£60,000 – £69,999	2	-
£70,000 – £79,999	-	-
£80,000 – £89,999	-	1
£90,000 – £99,999	1	2
£100,000 – £109,999	1	-
	<u>4</u>	<u>3</u>

The total employee benefits including pension contributions and national insurance of the key management personnel were £527,503 (2023: £544,708). The role of Clinical Director was vacant for 5 months which is why the overall cost has reduced on the previous year. The Medical Director is paid via a Service Level Agreement (SLA) with Hampshire Hospital Foundation Trust (HHFT). The HHFT SLA costs are included in the above figures and disclosures.

During the year no employees received a termination payment (2023: one employee of £10,000).

The charity trustees were not paid or receive any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil). During the year, no expenses were reimbursed to trustees (2023: £nil).

Notes to the financial statements

For the year ended 31 March 2024

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2024 No.	2023 No.
Raising funds	48.2	44.4
Specialist palliative care	91.5	82.4
Support	10.9	9.8
Governance	0.4	0.4
	151.0	137.0

10 Related party transactions

During the year donations of £18,222 (2023: £25,623) were received from trustees, of which £4,457 was from a company for which a trustee is a director. None of the income was restricted.

The spouse of one of the trustees, Andrew Taylor, was employed during the year. The trustee did not have any involvement in setting her pay and the salary is considered to be set on an arm's length basis.

11 Taxation

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

12 Tangible fixed assets

	Freehold land £	Freehold buildings £	Fixtures, fittings and equipment £	Total £
Cost				
At the start of the year	182,049	2,973,169	778,050	3,933,268
Additions in year	–	35,848	150,682	186,530
Disposals in year	–	–	(311,645)	(311,645)
At the end of the year	182,049	3,009,017	617,087	3,808,153
Depreciation				
At the start of the year	–	2,462,432	662,375	3,124,807
Charge for the year	–	67,914	41,278	109,192
Eliminated on disposal	–	–	(311,645)	(311,645)
At the end of the year	–	2,530,346	392,008	2,922,354
Net book value				
At the end of the year	182,049	478,671	225,079	885,799
At the start of the year	182,049	510,737	115,675	808,461

The freehold land shown above at cost of £182,049 (2023: £182,049) is not depreciated.

All of the assets shown above are used for charitable purposes.

St. Michael's Hospice (North Hampshire)

Notes to the financial statements

For the year ended 31 March 2024

13 Investments

	2024 £	2023 £
Fair value at the start of the year	3,746,533	3,904,592
Net gain/(loss) on change in fair value	351,418	(158,059)
Fair value at the end of the year	<u>4,097,951</u>	<u>3,746,533</u>

Investments comprise:

	The charity 2024 £	2023 £
UK Common investment funds	<u>4,097,951</u>	<u>3,746,533</u>
	<u>4,097,951</u>	<u>3,746,533</u>

14 Debtors

	2024 £	2023 £
Trade debtors	10,623	13,080
Other taxation	89,057	166,082
Other debtors	66,590	77,599
Prepayments	156,428	107,285
	<u>322,698</u>	<u>364,046</u>

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	93,649	107,816
Accruals	351,959	404,989
Deferred income (note 17)	50,498	74,484
	<u>496,106</u>	<u>587,289</u>

16 Deferred income

Deferred income comprises income received in respect of events being held after 31 March 2024 and lottery income received in advance of the draw.

	2024 £	2023 £
Balance at the beginning of the year	74,484	233,445
Amount released to income in the year	(74,484)	(233,445)
Amount deferred in the year	50,498	74,484
Balance at the end of the year	<u>50,498</u>	<u>74,484</u>

17 Pension schemes

The charity operates a defined contribution pension scheme for certain qualifying employees and contributes up to 6% of basic salary matching employee contributions. The total pension contributions payable in the year were £198,892 (2023: £169,741). There were £18,195 outstanding contributions at the year end, (2023: £15,044).

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024 to 23.7% of pensionable pay. The 2020 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. The core cost cap costs of the scheme lies outside the 3% cost cap corridor, however when the wider economic situation is taken into account through the economic cost cap costs of the scheme, the cost cap corridor is not similarly breached. As a result there is no requirement for the Secretary of State to consult on changes to the scheme.

The total pension contributions payable in the year were £149,234 (2023: £130,851). There were no outstanding contributions at the year end or in 2023.

Notes to the financial statements

For the year ended 31 March 2024

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

	General unrestricted £	Fair value reserve £	Restricted funds £	Total funds £
Tangible fixed assets	458,136	-	427,663	885,799
Investments	4,097,951	-	-	4,097,951
Net current assets	516,658	-	112,739	629,397
Net assets at the end of the year	5,072,745	-	540,402	5,613,147

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

	General unrestricted £	Fair value reserve £	Restricted funds £	Total funds £
Tangible fixed assets	322,964	-	485,497	808,461
Investments	2,224,933	1,521,600	-	3,746,533
Net current assets	1,306,170	-	19,627	1,325,797
Net assets at the end of the year	3,854,067	1,521,600	505,124	5,880,791

19a Movements in funds (current year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Building projects	485,497	-	(57,834)	-	427,663
Equipment	981	13,407	(14,388)	-	-
Donations/Grants expended	14,431	78,395	(76,599)	-	16,227
Covid 19 related grant from NHSE	-	-	-	-	-
Wessex GP Education Trust	4,215	-	(3,124)	-	1,091
Patient Room Refurbishment	-	108,000	(12,579)	-	95,421
Lindbury Charitable Trust	-	62,000	(62,000)	-	-
Total restricted funds	505,124	261,802	(226,524)	-	540,402
Unrestricted funds:					
Designated funds:					
Capital projects fund	320,000	-	(244,000)	-	76,000
Insurance fund	73,485	-	(19,440)	-	54,045
Fixed asset fund	322,965	39,750	-	-	362,715
Operating fund	-	-	-	1,160,000	1,160,000
Legacy contingency fund	441,000	-	-	417,000	858,000
Total designated funds	1,157,450	39,750	(263,440)	1,577,000	2,510,760
Fair value reserve	1,521,600	351,419	-	(1,873,019)	-
General funds	2,696,617	5,206,792	(5,637,443)	296,019	2,561,985
Total unrestricted funds	4,218,217	5,558,211	(5,637,443)	(1,577,000)	2,561,985
Total funds	5,880,791	5,859,763	(6,127,407)	-	5,613,147

Notes to the financial statements

For the year ended 31 March 2024

19b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Building projects	543,332	-	(57,835)	-	485,497
Equipment	6,062	-	(5,081)	-	981
Support Programmes	-	-	-	-	-
Donations/Grants expended	647	29,280	(15,496)	-	14,431
Covid 19 related grant from NHSE	-	96,212	(96,212)	-	-
Wessex GP Education Trust	4,215	-	-	-	4,215
Lindbury Education Trust	2,483	50,000	(52,483)	-	-
Total restricted funds	556,739	175,492	(227,107)	-	505,124
Unrestricted funds:					
Designated funds:	-	-	-	-	-
Capital projects fund	170,000	-	(127,092)	277,092	320,000
Insurance fund	88,720	-	(15,235)	-	73,485
Fixed asset fund	248,820	131,980	(57,835)	-	322,965
Legacy contingency fund	300,000	-	-	141,000	441,000
Service development fund	191,206	-	(191,206)	-	-
Total designated funds	998,746	131,980	(391,368)	418,092	1,157,450
Fair value reserve	1,679,659	113,337	(271,396)	-	1,521,600
General funds	2,892,599	5,278,102	(5,055,992)	(418,092)	2,696,617
Total unrestricted funds	4,572,258	5,391,439	(5,327,388)	(418,092)	4,218,217
Total funds	6,127,743	5,698,911	(5,945,863)	-	5,880,791

Funds – current and prior years

Purposes of restricted funds

Building projects: Donations were received for building projects to provide for the expansion and refurbishment of the Hospice buildings. As the final project was completed in April 2014, all of the outgoings relate to depreciation.

Equipment: The equipment fund provides for the purchase of various types of equipment for which specific funding has been raised.

Support programmes: The funding provides for supporting specified groups of patients and their families.

Donations/Grants expended: The income is for a medical salaries grant, energy project and various other small projects.

Wessex GP Education Trust: funding to enable additional staff to attend History Taking course.

Patient Room Refurbishment: This represents donations from Trusts towards the refurbishment of all patient rooms and will be written down over 5 years in line with our depreciation accounting policy.

Lindbury Education Trust: This was awarded to appoint and fund the training of a Clinical Nurse Specialist. Since awarded the scope of the funding has been widened to enhancing more nurses skills to Advances Practitioner level.

19 Funds – current and prior years (continued)

Purposes of designated funds

Capital projects fund: Reserves have been designated of £76k to complete the energy project including solar installation. Prior year includes energy project, patient room refurbishment and brand refresh.

Insurance fund: during 2021 a successful claim for business interruption was made. However, this resulted in a significant increase in insurance premium. This fund is to cover the additional cost of insurance for a five year period.

Fixed asset fund: This is the value of fixed assets in the balance sheet owned by the Hospice and not covered by restricted funds. These assets cannot be readily realised into cash so are therefore excluded from our general reserves.

Operating fund: This represents the reserves needed to cover the forecast deficits for the next three years while the hospice returns to a breakeven position.

Legacy Contingency fund: the legacy contingency fund represents the gap between the legacy budget and the known legacy pipeline. This year the fund has decreased slightly by £25k (2023: increase of £141,000) due a much lower legacy budget being set. Annually the trustees consider the risks within the lgeacy budget and adjust amount held in the legacy contingency fund.

Fair value reserve: This fund represents the excess of fair value over the historic cost of the investments.

20 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2024	2023	2024	2023
	£	£	£	£
Less than one year	223,629	289,579	45,301	33,885
One to five years	230,600	708,766	31,104	35,185
Over five years	8,750	306,687	-	-
	<u>462,979</u>	<u>1,305,032</u>	<u>76,405</u>	<u>69,070</u>

The above equipment lease commitments include company cars provided to qualifying staff under a salary sacrifice arrangement.

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.