

Southern Hospice Group

Annual Report and Accounts 2025–2026

Southern Hospice Group

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Annual Report and Accounts

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Introduction

from our chief executive

The past year has been one of challenge, change, and important progress for Southern Hospice Group.

We continue to bring together Chestnut Tree House, Martlets and St Barnabas House into one organisation. Our mission has remained clear to deliver compassionate, high-quality specialist palliative care and support to children, adults, and families across Sussex and South East Hampshire.

We do this at a time of significant pressure for the hospice sector. Across England, deepening financial pressures mean that around three-quarters of hospices are now operating at a deficit, leading in many areas to the closure of beds and reductions in frontline clinical services.

Rather than waiting for external pressures to dictate change, we proactively initiated our Clinical Integration and Redesign programme. However, it was not simply about reducing costs; it was about building a modern, equitable hospice model capable of serving our communities now and in the years to come. Navigating such organisational change is challenging, and we have had to make difficult decisions and say goodbye to valued colleagues as a result. The resilience, professionalism, and unwavering focus demonstrated by our teams throughout this difficult period have been exceptional.

A key achievement this year was securing the COAST contract from NHS Surrey & Sussex, establishing Southern Hospice Group as the lead provider of palliative and end-of-life care for children and young people across Sussex. Building on an 18-month proof of concept, this award enables us to expand the COAST service over the next two years and be there for families when they need us most. More than a contract, it reflects a significant shift in how partners see us: no longer as separate hospices, but as a trusted system partner with an increasing role in shaping care across the county.

Over the past year, we have improved efficiency across the group by adopting new ways of working and using our scale to secure better value when procuring goods and services. This helps ensure that as much of our supporters' donations as possible are directed to clinical services.

The year ahead will bring greater stability and consolidation as we embed new ways of working, strengthen our organisational infrastructure, and support the wellbeing of our workforce.

While the external environment remains challenging, I look to the future with real optimism. Everything we achieve is only possible because of our people. I want to express my sincere thanks to our exceptional colleagues, dedicated volunteers, valued partners, and generous supporters.

While there is still much to do, I remain confident in the strength of our organisation and the compassion of our teams. Together, we share an ambition to build a resilient, sustainable future for hospice care across Sussex and South East Hampshire and to champion the role of hospices nationwide.



Stuart Palma

Chief Executive Officer
Southern Hospice Group

Introduction

from our trustee chairs

This year has been one of significant progress for Southern Hospice Group as we continue our journey towards becoming one organisation, bringing together Chestnut Tree House, Martlets, and St Barnabas House with a shared purpose and future.



Jill Carnie



Ruth Taylor

As trustee chairs', we have seen first-hand the commitment, compassion, and resilience shown by colleagues, volunteers, and supporters across Southern Hospice Group. The team's dedication to providing outstanding care for children, adults, and families, often in the most difficult of circumstances, is both humbling and inspiring.

Hospices across the country continue to face increasing demand and significant financial pressures. Against this backdrop, the board has remained focused on ensuring Southern Hospice Group not only meets today's needs but builds a sustainable foundation for the future.

Throughout the year, the board has overseen the organisation's programme of clinical integration and transformation. While these changes have involved difficult decisions, they have been guided by a clear ambition: to create a stronger, more equitable, and more resilient hospice service for our communities.

We have been particularly encouraged by the strengthening of our partnerships and our growing role within the wider health and care system. The award of the COAST contract to deliver a 24/7 specialist paediatric palliative and end-of-life care service for Sussex, demonstrates how Southern Hospice Group is increasingly recognised as a trusted key partner within the health and care system.

None of this would be possible without the generosity of our supporters and the extraordinary contribution of our volunteers. On behalf of the Board of Trustees, we would like to thank everyone who has contributed to our work over the past year, and to recognise the dedication of our executive team, led by Chief Executive Stuart Palma, and all our colleagues whose expertise and compassion are at the heart of everything we do.

While challenges remain, the board looks to the future with confidence. Together, we are building a sustainable future for hospice care across Sussex and South East Hampshire.



Jill Carnie and Ruth Taylor
Chairs of Trustees

Our strategic
and corporate objectives

Recognising the challenging national context for the hospice sector, characterised by significant financial pressure, increasing demand, and constraints on statutory funding, Southern Hospice Group's focus is ensuring the delivery of a sustainable future.

Our strategic and corporate objectives are designed to support our priorities of delivering safe and effective services across our catchment areas whilst moving towards long-term financial sustainability. An inaugural Group Strategy will be developed which will naturally lead to an evolution of the objectives and in addition there will be a focus on strengthening organisational culture, delivering commissioned services, and enhancing the group's role as both a system partner and national advocate for sustainable hospice funding.





Establish our new organisation



Deliver effective, efficient and caring services



Grow pathways and opportunities with partners



Support our people and provide opportunities for growth



Deliver financial sustainability

Corporate objective 1: Establish our new organisation

Our key achievements 2025–26

During the past year we:

- embedded a unified Southern Hospice Group operating model following the merger, improving consistency and collaboration across all hospices.
- delivered significant organisational redesign across clinical and corporate services, aligning structures to reduce duplication and improve effectiveness.
- progressed clinical integration and redesign, establishing a more equitable and sustainable model of care across the group.
- strengthened governance and operational alignment through new group-wide forums and leadership structures.
- improved alignment of estates, infrastructure and support services to enable safe, efficient and integrated delivery.

Our impact:

The work we have carried out this year has continued to bring our hospices together as one unified organisation supporting:

- more efficient use of our resources, supporting patient care in the communities we serve.
- consistent, high-quality services across all hospice locations.
- a stronger, more resilient organisation for the future.

Over the coming year our priorities are to:

- develop and launch the inaugural Group Strategy to provide the roadmap for delivering excellent, equitable and modern hospice services.
- strengthen our adoption of cybersecurity and Artificial Intelligence (AI) tools.
- establish an infrastructure and asset management framework.
- improve the group's brand recognition and stakeholder connection.

Corporate objective 2: Deliver effective, efficient and caring services

This year as a group we have:

- continued delivery of high-quality specialist palliative, end-of-life and crisis care for patients and families.
- progressed clinical redesign to ensure services are equitable, sustainable and focused on those with the greatest need.
- enhanced child and family services to strengthen support for our families with the creation of new roles.
- increased advanced nurse specialist capacity, improving responsiveness for patients with complex needs.
- strengthened emotional, psychological and bereavement support, including enhanced child and family services.
- invested in hospice environments to improve comfort, accessibility, safety and wellbeing.
- aligned services and pathways across hospices to deliver a more consistent patient experience.

At Chestnut Tree House, our children's hospice, we have:

- secured a five-year contract with NHS partners as the lead provider of services via the COAST contract (Children's Outreach and Symptom Team), responsible for the delivery of 24/7 end of life and palliative care services for babies, children and young people across Sussex.
- continued to invest in spaces that support children, young people and their families. This includes the Sanctuary – a low-stimulation sensory space – and a new soft-play area. We have also invested in our gardens and Stars bereavement suite to improve our spaces for rest, reflection and bereavement support. Key partners, including Bupa Foundation, Greenfingers and our volunteers have made this possible.
- strengthened family support services following our organisational redesign including new roles.

At Martlets and St Barnabas House, our adult hospices, we have:

- focused on embedding clinical redesign across adult hospice services, supporting a more consistent and equitable model of care across Sussex. This work strengthens our shared ambition to deliver a unified hospice approach, ensuring patients receive high-quality care wherever they are supported.
- maintained high-quality specialist care while refocusing provision on patients with the most complex needs.
- invested in estates, facilities and infrastructure across both hospices, to improve safety, resilience and patient experience.
- reshaped services to strengthen long-term sustainability and alignment with core hospice provision.

Over the coming year our priorities are to:

- implement and optimise digital solutions across the group, including a harmonised SystmOne configuration for adult services, identification of an appropriate electronic health record (EHR) solution for paediatric services, and rollout of electronic prescribing (ePMA) at St Barnabas House.
- deliver and evaluate newly commissioned and funded service models, including mobilisation and growth of our COAST service (24/7 consultant-led children and young people's specialist palliative and end-of-life care), implementation of a palliative 'virtual ward', and delivery of the young adult day care pilot.
- implement a single, group-wide telephony solution through the rollout of 3CX.

Chestnut Tree House

What we achieved in 2025-2026



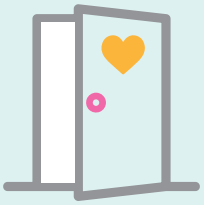
252

We supported 252 children and young people, with 1,820 overnight stays



1,855

Our events had 1,855 attendees



1,188

Our Community Team made 1,188 visits



951

Our Child and Family Support Team made 951 counselling, social work and chaplaincy support contacts

Thanks to the kindness of supporters like you, we've cared for **1,551 children** and young people since we opened in 2003

Baby Loui's story

Mum Zoe shared her and her husband Owen's experience of post-bereavement care from Chestnut Tree House for our winter appeal. Baby Loui died just before Christmas and – with counselling support and through meeting other families – the couple has found a way forwards.



"My husband and I love nature. We especially enjoy camping in woodland, and whenever we do, the first thing we look for is an oak tree. That's because they have come to symbolise our baby son, Loui, who died at just six weeks old.

Afterwards, I really struggled with my grief. But with the support of Chestnut Tree House, I found the strength to share my story, and that has helped a lot. Baby and child loss is unlike any other bereavement because it's a loss that nobody expects. You will always be grieving, and you will never get over that feeling, but I have found that there is light at the end of the tunnel.

Having that counselling support over Christmas and going into the new year was so helpful because it was very hard coming back to an empty house. We have also found a lot of comfort in the memorial garden at Chestnut, which has a water feature ommemorating all the children who have died. There's a pebble in the fountain with Loui's name on and we go there quite often.

I want to say thank you to the colleagues at Chestnut for always having open arms when we need it and for offering all kinds of support – from the lovely chats with the receptionist to the events, remembrance days and cups of tea. We have learnt so much from having Loui in our lives. He made us parents and also neurological scientists (part-time). He will always be our brave soldier, and we will be forever proud of our boy."

Zoe and Owen

Loui's parents

Martlets

What we achieved in 2025-2026



1,247

We supported 1,247 patients on our inpatient unit, in the community and in patients' own homes



4,248

Our inpatient unit provided 4,248 occupied bed days. (81% occupancy)



3,031

We delivered 3,031 occupational, physio and complementary therapy sessions



6,325

Our community palliative care nurses completed 6,325 face-to-face patient contacts

Marc's story

Former musical theatre performer Marc stepped forward this winter to support our adult hospice campaign, 'We're here for you. Will you be here for us?' Marc has been a fierce supporter and advocate for hospice care and exemplifies its vital role in our communities.



"During the pandemic, I was given the devastating news that I had aggressive thyroid cancer. This meant my larynx needed to be removed, and I'd never sing again. At the time, I worked in musical theatre which I loved, and my voice was my money maker.

Following surgery, tests revealed that the cancer had spread to my lungs and bones – at 48 years old my diagnosis was terminal. We were mid-lockdown, and alone in my flat with my husband Perrie and Gizmo the dog, I ended up in a dark place.

My oncologist referred me to the team at Martlets, who have been by my side ever since. When you have an incurable diagnosis, there comes a point where you no longer want to be treated like a patient anymore because it's so clinical. The great thing about Martlets is that I've always been treated like a human being and there's a real connection there.

Thanks to the hospice, I've been able to spend more precious time with the people I love doing the things I enjoy, keeping me independent and out of hospital. But Martlets can only provide this essential care thanks to the support of the local community – because there isn't enough funding from the government. It frightens me to think that without that support we wouldn't have a hospice. My hospice nurse – like a ray of sunshine coming into a dark room – showed me he was there to help me live and to make the most of the time I have left."

Marc

Martlets patient

St Barnabas House

What we achieved in 2025-2026



2,056

We supported 2,056 patients on our inpatient unit, in the community and in patients' own homes



4131

Our inpatient unit provided 4,131 occupied bed days (94% occupancy)



2,316

We delivered 2,316 occupational, physio and complementary therapy sessions



10,787

Our community palliative care nurses completed 10,787 face-to-face patient contacts

Helen and Adrian's story

After Helen's husband Adrian received his first cancer diagnosis, St Barnabas House helped the couple make memories – supported by the hospice's artist-in-residence. After Adrian died, using the art room at the hospice was a way for Helen to keep that connection.



"My husband, Adrian, was a real cheeky chappie and much-loved engineering and motorsports teacher. His happy place was his home workshop, where he rebuilt cars and motorbikes.

Adrian had lived with multiple myeloma – a cancer of the bone marrow – for 13 years when he was referred to St Barnabas House. Our options for treatment were coming to an end, and he was starting to get more symptomatic.

Despite his diagnosis, St Barnabas helped Adrian maintain his independence. As well as symptom management, Adrian got support from the hospice's artist-in-residence, Stevan, exploring his love of photography. Stevan would set him homework, which would often result in us having an unexpected day out together with his camera. One of the tasks was to capture different types of light and I have memories of us strolling along the beach at sunset and Adrian sitting on a bench looking out to sea, waiting for the light to be perfect.

I learnt so much and coming to the art room myself after Adrian died has really given me the opportunity to explore my creativity, talk, and work through my grief. I've now returned as a volunteer to help others make memories together. The hospice really helped me move forward with my grief and now I want to help others."

Helen
Adrian's wife

Corporate objective 3: Grow pathways and opportunities with partners



Healthcare Assistant Lynn comforting a patient.

This year we have:

- strengthened partnerships with NHS organisations, Integrated Care Boards and community providers to support integrated care.
- secured a major five-year NHS contract for paediatric palliative care, reflecting external confidence in our expertise.
- expanded collaborative pathways, enabling improved access to specialist care and reducing hospital admissions.

Our impact:

Working closely with our partners has been key to improving care pathways and extended reach with:

- better co-ordinated care for patients and families.
- faster access to specialist hospice support.
- more care delivered closer to home.

Over the coming year our priorities are to:

- leverage the group's scale and collective voice to play a leading role in shaping national debate on a fair and sustainable statutory funding model for hospices – and equitable access to specialist palliative and end-of-life care services for all.
- develop an evidence-based transitional care framework/pathway for young adults.
- ensure marketing and communications activity is collaboratively and proactively planned, audience-focused and delivered consistently across all internal and external channels – and aligned with the group's brand, values, and tone of voice.

Corporate objective 4: Support and develop our people

This year we have:

- delivered a group-wide colleague survey to better understand colleagues experience and identify areas for improvement.
- introduced a talent management approach to support career development, leadership growth and succession planning.
- reviewed and enhanced pay and benefits to better align with NHS frameworks and support recruitment and retention.
- improved wellbeing support through enhancements to the Employee Assistance Programme and wider benefits.
- promoted a culture of openness and inclusion through initiatives such as Work in Confidence and the Employee Forum.
- supported colleagues through organisational change with ongoing communication, engagement and wellbeing support.
- established an Organisational Delivery Group (ODG) to strengthen working relationships between our leaders and managers.

Our impact:

Our colleagues and volunteers are at the heart of everything we do. By investing in their wellbeing, development and experience we have:

- a supported, skilled and motivated workforce delivering excellent care.
- improved colleagues wellbeing, engagement and retention.
- a positive, inclusive culture where people feel valued and heard.

We have over 1,300 volunteers who contributed over 140,000 hours in the year across our organisation.

Over the coming year our priorities are to:

- strengthen our engagement and communication with our workforce, including our volunteers.
- develop and deliver a structured development programme and management dashboard to support our leaders and managers.
- strengthen the organisation's talent pipeline and long-term organisational resilience.
- implement measures to ensure volunteers feel valued, supported, safe, and motivated to contribute meaningfully.

Gender pay gap reporting

At Southern Hospice Group we are committed to fostering an inclusive and diverse workplace, without discrimination. The group complies with the Equality Act and undertakes annual gender pay gap reporting and our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

As a hospice charity our workforce profile continues to be reflective of the wider care sector, and the majority of our workforce is female.

The below sets out the percentage of males and females in each pay quartile, the upper hourly pay quartile reflecting the highest paid workforce in the group as of April 2025.

Upper hourly pay quarter (highest paid)	female 90%	male 10%
Upper middle hourly pay quarter	female 88%	male 12%
Lower middle hourly pay quarter	female 94%	male 6%
Lower hourly pay quarter (lowest paid)	female 85%	male 15%

When comparing the median hourly pay across the group, male and female's receive comparable pay, with female's hourly pay 0.5% lower than male's showing near parity.
In comparison when considering the mean (average) hourly pay, female's was 3.4% higher than male's.
Regarding bonus pay, 2.9% of females received a bonus payment, with no males receiving bonus pay. As part of the 2025 pay and benefits review, bonus pay was removed from our pay policy.



Insert caption here

Supporting our employees

The group is committed to equality, diversity and inclusion, undertaking full and fair consideration to all applications for employment. All recruitment decisions are made on the basis of an individual's skills, experience, aptitudes and abilities, having regard to the requirements of the role.

Training, development and promotion opportunities are available to all employees, including disabled persons. Individual training and development needs are identified through probationary reviews, performance appraisals and ongoing management support.

Career development and promotion opportunities are considered fairly and equitably, based on merit and capability. These arrangements are supported by the group's in-house Education team and its health and wellbeing policies, which promote an inclusive working environment and provide support to employees whose health or disability may affect them during their employment.

Corporate objective 5: Deliver financial sustainability

We have taken important steps to strengthen our financial position so we can continue to provide hospice care for years to come. Our voluntary income generation activities are core to supporting our future financial sustainability.

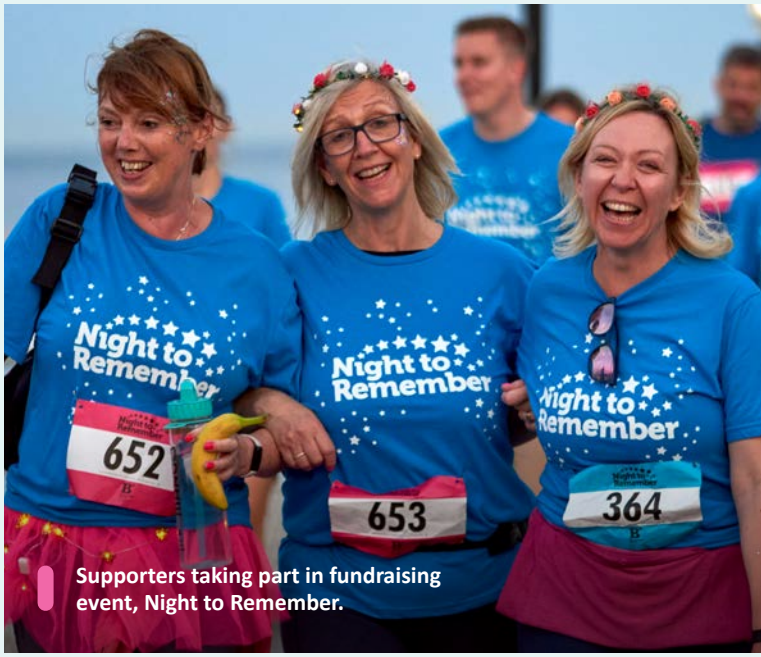
Income generation

Fundraising

The majority of the Group's fundraising activities are undertaken by employees and volunteers. Where the Group engages professional fundraising agencies, appropriate due diligence is undertaken prior to appointment and contractual arrangements are put in place to ensure compliance with applicable fundraising legislation and regulation. The Group is registered with the Fundraising Regulator and is committed to complying with the Code of Fundraising Practice, relevant data protection legislation and direct marketing requirements. During the year, no material failures to comply with these standards were identified. The Group monitors the activities of any third-party fundraisers through training, performance reviews and mystery shopping programmes to ensure that fundraising activities are conducted in accordance with the Group's values and regulatory requirements.

The Group is committed to protecting vulnerable people and other members of the public when undertaking fundraising activities. Policies, procedures and colleague training are in place to help identify and respond appropriately to potentially vulnerable individuals. Fundraising practices are designed to prevent unreasonable intrusion on privacy, unreasonably persistent approaches for donations and any undue pressure to give money or other property. Individuals are always able to opt out of communications and requests to cease contact are respected promptly.

During the year, the Group received 3 complaints relating to fundraising activities, all of which were considered and addressed in accordance with the Group's complaints procedures.



Supporters taking part in fundraising event, Night to Remember.

This year we have:

- generated significant donations from our loyal supporters who remain at the heart of our fundraising successes.
- maintained an important and reliable income stream through our community fundraising efforts (there were a number of high value activities during the year demonstrating the ongoing commitment of our local communities).
- continued to evolve our events programme with a focus on enhancing participant experience and maximising income generation. Running events were particularly successful with almost 300 people raising over £200,000.
- seen a number of new gifts and increased contributions from existing philanthropic supporters, reflecting the strength of relationships and continued confidence in the charity's work.
- received significant individual donations including several five-figure gifts, together with early success in securing future multi-year pledges.

Our impact:

- We generated more than £4.7m of funds to support hospice costs.
- Our winter appeal raised £325,000
- Our partnership with Much-loved allows families to create an online tribute page, a dedicated space where family and friends can remember and celebrate someone special, share memories and make donations in their memory. Last year, 668 tribute pages were created last year raising £354,798. These pages are in addition to the in-memory gifts we receive directly through our website or over the phone, so they represent an additional way for families to remember their loved ones and support our work.

Over the coming year our priorities are to:

- improve our return on investment (ROI) across key fundraising income streams.

Retail

This year we have:

- continued to operate our network of charity shops, generating vital income for hospice services, despite a difficult period.
- undertaken a full review of our retail portfolio and its performance in response to this.
- appointed new leadership and developed a clear transformation plan.
- set out a roadmap to improve shop performance, customer experience and long-term sustainability.

Our impact:

- We raised £5.2m from our retail activities this year.
- 23.4% of our sales had Gift Aid attached which resulted in a Gift Aid claim of more than £300,000.
- Our eCommerce team delivered £200,000 of income.
- Approximately £50,000 of of individual fundraising donations were made by our loyal customers.
- We have approximately 530 volunteers supporting our retail operations who provided more than 120,000 hours during the year.



Liz is a retail volunteer for Chestnut Tree House.

Over the coming year our priorities are to:

- empower our shop teams to grow income by improving the look and feel of our stores, deepening engagement with local communities.
- drive data-led operational and asset efficiencies to rebuild and sustain healthy net margins.
- invest in our people, ensuring we have the capability and resources needed to keep our shops open and thriving within their communities.
- expand and develop our volunteer base, enabling us to access critical skills and enhance delivery where central funding is limited.

Together, these actions will support the evolution of a more resilient, customer-focused, and financially sustainable retail operation.



Helen is a volunteer at St Barnabas House.

Financial control and budget adherence

This year we have:

- improved our financial systems to support better reporting and budgetary control.
- strengthened our finance team to support transactional processes and business partnering.
- implemented quarterly five-year forecasting to provide greater insight to informed decision making.
- reviewed team structures, roles and ways of working to ensure we are aligned to organisational priorities and future service delivery. This work complemented our wider clinical redesign programme, providing greater confidence that we have the right people, systems, and processes in place to meet the needs of our communities, both now and in the future.



John is a volunteer on reception at Martlets.

During the coming year, our priorities are to:

- identify and secure new income streams from commercial opportunities.
- strengthen financial control and improve budget adherence and expenditure management.

Our Quality Account

submission summary

Our Quality Account is submitted to the NHS annually.
Our primary focus is always based upon the provision of consistently high-quality, safe and effective care for those who need us.
During 2025–26 this has remained the case. Quality assurance is retained at group level, as we continue to build a more sustainable organisation and to improve access to care for our communities.



Patient safety

Good levels of incident and near-miss reporting of safety-related events is a recognised safety measurement, indicative of confidence in a just culture. During the year we have continued to embed our patient safety incident response framework policy and its supporting patient safety plan.

There was a total of 1,113 incidents reported across the organisation during this period. Some 848 of these were reported by adult services, 149 incidents reported by children's services, and 102 incidents reported by non-clinical services. There were no reported 'never events'. Similar to national trends, medicines-related incidents are our highest reported category. Our Medicines Management Group provides oversight of medicines safety and optimisation, including the proportionate response to any emerging themes.



Consultant in Palliative Medicine Dr Rishma Pau speaks with a patient.

Safeguarding

We are fully committed to ensuring the people who use our services are safeguarded from suffering any form of abuse or improper treatment whilst receiving care and treatment. Our internal safeguarding arrangements are led by a team who have an enhanced level of safeguarding experience and expertise.

Patient and carer experience

Our Patient and Carer Experience Group has overseen patient and carer experience activity and provided a central route for the coordination of shared learning from feedback. During the reporting period we have reviewed our complaints policy.

We have rolled out our in-house patient survey options to enable more real-time feedback, and we are currently developing an in-house survey for family and carers post-bereavement. This will ensure we are taking every opportunity to enhance our understanding of patient and carer experience.

Complaints

The number of formal complaints we received over the year remained low (12). The themes from these related primarily to unmet expectations and miscommunication. Our response to the themes has included a review of our service information resources and revision of our referral processes. We have continued to receive high levels of recorded compliments (296).

Infection control

Our infection control standards have remained high. There have been no cases of MRSA, E. Coli, Pseudomonas or Klebsiella bacteraemia. There have been no acquired cases of Clostridium difficile infection (CDI) and there has been no evidence of employee-to-patient or patient-to-employee related transmission of COVID-19 across our sites.

Quality Improvement Plan

Our improvement priorities for 2026–27 are captured on our Quality Improvement Plan. All quality improvement areas are guided by best practice standards, including national guidance and audit outcomes; lessons identified through learning from incidents, complaints and patient experience themes, and performance data analysis.

This year we focused on:

- outcome measures and reporting.
- our Medicines Management Governance Framework.
- individualised care and empowering patients in adult services.
- the effectiveness of pre-admission processes in children's services.

Over the coming year we will focus on:

- aligning our patient systems across our hospices.
- safe clinical handling processes.
- in-house family and carer feedback tool.

Information governance

The Data Security and Protection Toolkit (DSPT) is an online system which allows organisations to assess themselves against information governance policies and standards. In 2025, we submitted all evidence by the deadline and received an assessment of 'Standards Met' across all our sites.

Duty of candour

Duty of Candour requires registered providers and managers to act in an open and transparent way with people receiving care from us. We are committed to the principles of openness, honesty and transparency and aim to learn from all incidents and engage service users and families in the review process.

Environmental report

We have continued to strengthen our environmental performance while supporting organisational growth.

As a group, we have reported all our emission sources under the Companies Act 2006 (Strategic Report and Director's Reports) Regulations 2013 as required. Reporting of calculated emissions is in line with the GHG Protocol Corporate Accounting and Reporting Standard and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2025. The reporting period is the financial year 2024/2025, the same as that covered by the Annual Report and Financial Statements. The boundaries of the GHG inventory are defined using the operational control approach. In general, the emissions reported are the same as those which would be reported based on a financial control boundary.

We have chosen to calculate the emissions from purchased electricity this year's electricity using the market-based methodology, which allows companies to reduce the calculation of carbon emissions based on the electricity contract they have purchased. By committing to purchase renewable energy, we are supporting the renewable energy transition at a national level.

Total energy consumption increased by 24.58% following the inclusion of Martlets Hospice and associated retail sites; however, total greenhouse gas emissions reduced by 22.59%, falling from 606.38 tCO_2e to 469.41 tCO_2e.

The reduction in emissions was primarily driven by the transition to 100% renewable electricity contracts, which eliminated market-based Scope 2 electricity emissions.

In addition, the introduction of on-site solar generation contributed 194,509 kWh of renewable electricity during the reporting year. Emissions intensity also improved, reducing from 1.25 to 1.12 tCO_2e per average FTE (based on 420.0 FTE) representing a 10.40% improvement year-on-year.

This demonstrates a reduction in the carbon impact of our operations despite an increase in overall energy demand.

Scope	Energy source	Tonnes CO2 equivalent (CO2e)	Year-on-year % difference
Scope 1	Gas, diesel, company vehicles	418.69	35.09%
Scope 2	Electricity	0	(100.00)%
Scope 3	Electricity T&D, personal vehicles	50.71	**9.43%**
Total		**469.41**	**(22.59)%**

This year we have:

- installed solar photovoltaic (PV) panels at Chestnut Tree House.
- installed six EV charging points at Chestnut Tree House and St Barnabas House.
- upgraded existing wood frame windows to uPVC windows at Martlets.
- replaced the air conditioning unit serving to St Barnabas Rose Cottage (cold room) which is more energy efficient allowing it to be turned on only when needed.
- replaced laundry equipment (washer and dryer unit) at Chestnut Tree House, providing faster wash cycles to reduce time per wash.

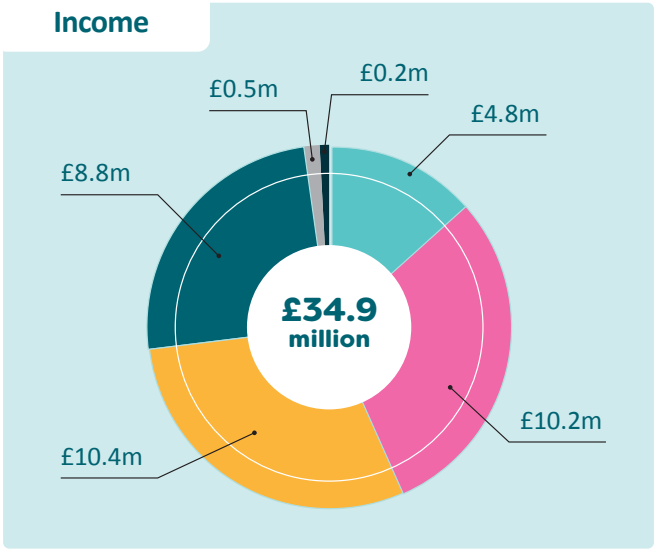
In the coming year we will:

- replace laundry washing and drying equipment at Martlets with larger-capacity machines featuring shorter cycle times, reducing the number of daily wash cycles required.
- carry out a comprehensive sustainability review across the organisation to identify further energy efficiency opportunities and prioritise future carbon reduction initiatives.
- carry out a six-facet site survey report to identify a full lifecycle replacement programme across all hospice sites. This includes all plant machinery, appliances and fleet vehicles. This will support the planned replacement of assets and help identify opportunities to improve energy performance throughout their lifecycle.

Financial performance

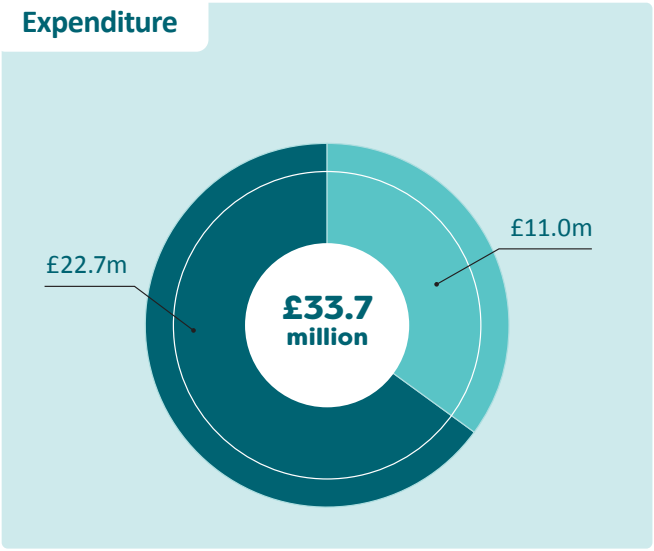
Operational income and expenditure

Income



Donations · Legacies · Charitable activities · Trading activities · Investments · Other income

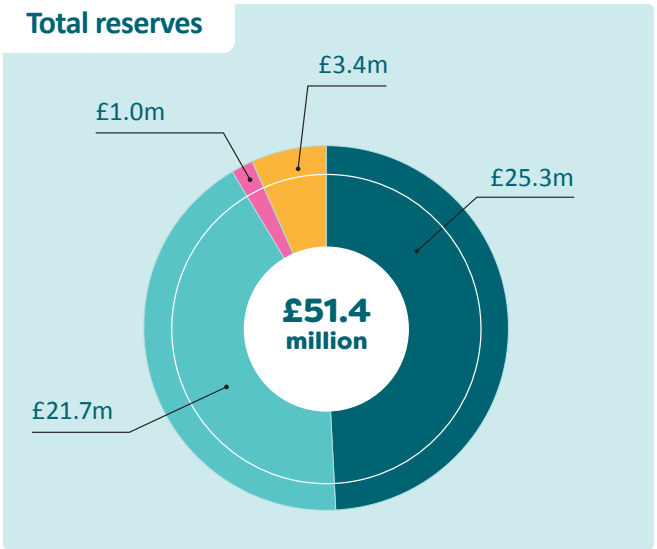
Expenditure



Charitable activities · Raising funds

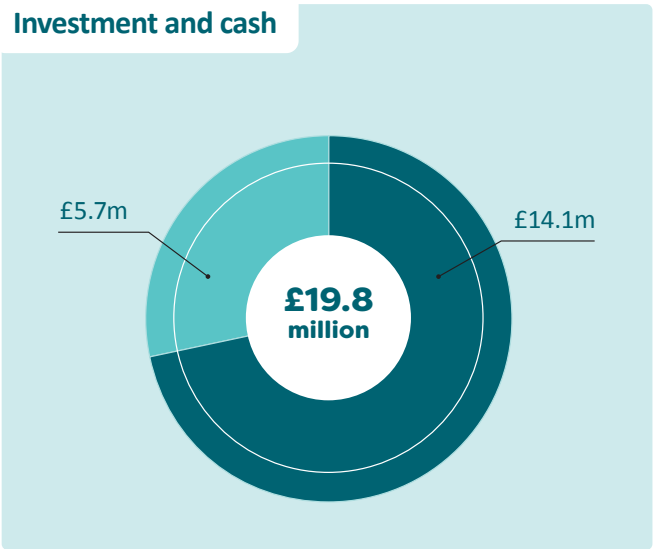
Reserves, investments and cash

Total reserves



Unrestricted fixed assets · Unrestricted free reserves · Restricted funds · Designated funds

Investment and cash



Investments · Cash and equivalents

Our financial performance 2025–26

This financial year has continued to be challenging for the group with economic pressures demanding greater focus on both income generation and cost control.

Our budget for 2025–26 expected an operational deficit of £3.6m. We have worked hard to mitigate this while maintaining financial sustainability.

During the year we have continued to deliver the benefits of our merger, with focus on efficiency and effectiveness in our operating model. This, together with our response to economic pressures, has resulted in the restructuring of our service delivery model. This will provide greater parity in the delivery of our services across the group and full-year cost savings of £2m. This difficult but necessary decision impacted some of our clinical services with the reduction of 40 posts.

In addition, we reflected on our investment in Southern Hospice Home Care Limited (a domiciliary homecare service) and took the difficult decision, following consultation with its board, to close the business. The company ceased operational delivery on 8 May 2026.

Our fundraising efforts have provided £7.6m of income, with strategic focus on events programmes and corporate partnerships across the group.

The group has moved to a portfolio approach for the estimation of legacy income. We recognise our legacy income for estates with similar characteristics and stage of administration which have not been distributed but meet the requirements for recognition, providing greater transparency on income. Legacy income which meets the criteria is estimated using available information, historical experience and known uncertainties. This has resulted in additional accrued income of £4.4m in this financial year.

Our retail performance suffered this year, with



net contribution levels falling by around 50%. In response we have taken action, supported by a retail consultant, to drive transformation during 2026–27 to meet and grow previous levels of performance.

We have also benefitted from government funding of £2.4m for capital expenditure. This grant has enabled us to provide greater facilities and equipment to enhance our patient care and experience.

In addition, favourable market movements on our investments generated realised gains of £1.2m following the divestment of funds from our main portfolio into treasury bonds.

Our resultant net surplus was £2.9m, which included the favourable impact of a change in legacy policy and government funding distributed by Hospice UK. Our free general reserves at 31 March 2026 were £21.7m.

Our financial outlook 2026–27

Our budget for the financial year 2026–27 expects an operational deficit of £1.6m, following the organisational restructures we put in place in 2025–26. Our budget is also built on income generation improvements for both fundraising and retail, together with organisational cost containment. This approach is key to the successful delivery of our budget and projected breakeven position by 2027–28.

Future sustainability

There are three key areas of focus set out by the trustees to ensure our strategic delivery is carried out in a financially sustainable manner, which are reflected in our forecasts.

Focus area 1: Risk

Risk 1: Financial sustainability

By far our greatest risk is financial sustainability. With challenges to income streams and increasing costs, the current operational model for hospices is brought into question. Many hospices are operating at a deficit, cutting services or closing beds due to insufficient funding. We are seeing greater reliance on voluntary income streams and these are struggling to keep pace with the financial demands placed upon them to support ever increasing cost bases. There is also greater volatility, especially with legacy income.

We will mitigate the financial sustainability risk through robust short- and medium-term financial modelling and scenario planning, enabling proactive management of funding fluctuations and clear oversight of income and reserve levels. This is supported by a focus on cost efficiency and organisational optimisation, alongside a prudent reserves and investment strategy aligned to forecast cashflow and risk appetite. Income diversification is strengthened through fundraising, retail, and partnership working with NHS commissioners and sector bodies, ensuring sustainable funding streams and long-term financial resilience.



Members of our clinical team at Martlets.

Risk 2: Cybersecurity and digital transformation

The increased reliance in digital systems and AI usage in the organisation amplifies our vulnerability to cyber threat, resulting in greater susceptibility to data breaches and service disruptions which could lead to reputational harm.

The group mitigates cybersecurity risk through a fully outsourced IT model that ensures access to specialist expertise and up-to-date security practices, alongside ongoing investment in secure, resilient infrastructure with a transition towards cloud-based systems where appropriate. Compliance with with NHS, General Data Protection Regulation (GDPR), and Payment Card Industry (PCI) data security standards are maintained



Justine from voluntary services, helping at a thank you event.

and supported by a robust information governance framework, regular vulnerability scanning, and colleagues training in cyber awareness. Additional safeguards include appropriate insurance cover, system upgrades, and defined response processes for potential breaches. This ensures strong protection of data and continuity of operations, while maintaining inclusive access for service users.

Risk 3: Regulatory and governance compliance

The increased demands of regulatory compliance demand greater resource to ensure we remain compliant to avoid risks to safety, efficiency and reputation.

The group mitigates regulatory and governance compliance risk through a structured and integrated framework. This includes standardised quality improvement methodologies, strengthened clinical education and workforce training oversight, and regular strategic risk and business plan reviews aligned to organisational priorities. Robust governance is supported by clear board and committee structures, defined terms of reference, and effective reporting cycles, alongside centralised risk and workforce management systems. Dedicated oversight groups ensure compliance with information governance, health and safety, and statutory requirements, providing assurance that systems, processes, and policies remain effective and aligned with regulatory expectations.

Risk 4: Workforce shortages and retention

The national shortage of healthcare professionals coupled with limited career progression and pay competitiveness continue to be a key risk. These factors can lead to reduced capacity to deliver care, increased burnout and reliance on agency colleagues and an inadequate skills mix, which may lower colleagues morale and breach legal requirements.

The group mitigates workforce shortages and retention risk through targeted recruitment initiatives, including digital systems and competitive pay reviews, alongside incentives for hard-to-fill roles. Retention is supported through investment in colleague wellbeing, career development, and a strong organisational culture reinforced by effective communication, employee engagement initiatives and recognition programmes. This is complemented by volunteer expansion and partnerships with universities to strengthen future talent pipelines, ensuring workforce resilience and continuity of service delivery.

Focus area 2: Reserves

Southern Hospice Group holds free reserves to support its long-term sustainability and to ensure continuity of services for beneficiaries during periods of financial uncertainty or adverse events. Free reserves provide financial resilience by helping the Group manage short-term fluctuations in income and cash flow, protect services from unforeseen events, and provide management and Trustees with time to implement corrective actions where required. Reserves are also held to support investment in strategic opportunities that further the Charity's charitable objectives, whilst ensuring that legal and contractual obligations can be met should an orderly wind-down of activities become necessary.

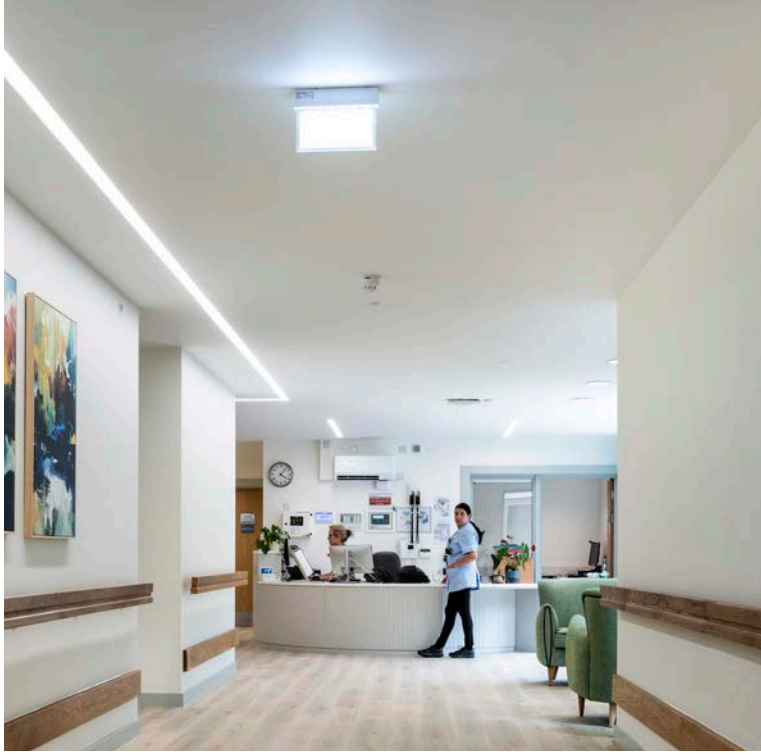
The Trustees review the reserves policy annually and monitor reserve levels throughout the year to ensure that they remain appropriate in the context of the Group's strategic objectives, financial forecasts, risk profile and operating environment.

The level of free reserves is determined using a risk and opportunity-based methodology. This assessment considers the Group's five-year financial forecasts, strategic risks, sensitivity and scenario modelling, workforce planning assumptions, fundraising, retail and legacy income risks, investment and market risks, known future capital and strategic investment requirements, together with the estimated costs of an orderly cessation of activities. The Trustees also consider the liquidity of the Group's assets to ensure that sufficient funds are readily available when required.

Where free reserves are above the target range, the Trustees intend to apply the excess funds towards strategic investments in furtherance of the Group's charitable purposes. Where free reserves are below the target range, the Trustees will take appropriate action through financial planning, cost management, income generation initiatives and ongoing monitoring of financial performance to restore reserves to the approved range over time.

Following a review of the Group's financial forecasts to FY2030, together with the associated opportunities and risks, the Trustees have approved a target free reserves range of £13.0 million to £24.0 million.

At 31 March 2026, the Group's total funds amounted to £51.4 million (2025: £48.0 million), of which £21.7 million (2025: £22.5 million) represented free reserves. This is within the Trustees' approved target range. The calculation of free reserves is set out in Note 17 to the financial statements, and the movements in funds during the year are disclosed in Notes 18 to19.



Focus area 3: Investment policy

The group aims to achieve strong long-term investment returns within an acceptable level of risk to support its charitable activities. The board takes a long-term investment view and targets returns of Consumer Price Index (CPI) +4% over rolling five-year periods to preserve the real value of reserves while generating income in line with budget requirements.

The portfolio is managed on a medium-risk basis, with a significant allocation to growth assets such as equities, recognising that this may result in periods of volatility. Ethical investment principles are applied, restricting exposure to certain sectors and incorporating environmental, social and governance (ESG) considerations into the investment approach.

Professional investment managers are appointed on a discretionary basis and are monitored regularly by the Finance and Audit Committee. Their performance is reviewed quarterly against agreed benchmarks, with oversight of asset allocation, risk, and compliance with investment restrictions.

The group maintains a diversified portfolio, with liquidity requirements in place to ensure funds are accessible when needed, alongside prudent cash management with highly-rated financial institutions.

Note 13 provides further information on the investment position as of 31 March 2026.

Going concern

Having reviewed and formally agreed the forecasts and cashflows prepared in July 2026, together with the senior leadership's business plan, the trustees believe, to the best of their knowledge, that the charity remains a going concern for at least the 12 to 18 month period from the date of approval of the financial statements.

Structure, governance
and accountability

Trustees and directors

Southern Hospice Group is a company limited by guarantee (company number 00930107) and registered with Companies House, and is a charity registered in England and Wales (256789). It is regulated by the Charity Commission.

Our Board of Trustees is committed to maintaining a high standard of corporate governance. Its members, all of whom are non-executive, bring a broad range of relevant experience and skills to trustee discussions.

Trustees are appointed by the board, subject to approval by the Association at the annual general meeting (AGM). They serve a maximum of nine years (three terms of three years). They have full access to the E-learning induction programme for colleagues, with some modules being mandatory for all trustees.

Trustee indemnity insurance was paid by the charity and was in place for all appointed trustees throughout the period and at the time of approval of the report.

Trustees are required to hold at least four board meetings a year. There are five committees which are chaired by a trustee and are attended by the appropriate senior leadership team member(s). They meet before each board meeting.

- The Quality and Performance Committee
- Finance Committee (includes income generation activity)
- People Committee
- Estates and Facilities Committee
- Remuneration Committee

Committees may include specialists who are not members of the board, but who volunteer to use their expertise to assist the committees.

Senior Leadership Team

There are clear distinctions between the roles of the trustees and the senior leadership team (SLT), to whom day-to-day management is delegated. Matters such as policy and strategic plans are prepared by the leadership team for consideration and approval by the trustees.



The group has set up a clear pay progression arrangement for its senior leaders which reflects arrangements in place for all colleagues and managers. We strive to make our reward offer as competitive as we can afford, so we will continue to consider managers' and senior management remuneration. Pay points for the SLT are regularly benchmarked against similar-sized charities. The SLT's pay is agreed by the charity's remuneration committee. The SLT holds a monthly meeting where it reviews the strategy and business plan delivery, the quality management system across all activities, risk management, and operational service performance. It also reviews budgets and conducts regular reforecasting activity. The SLT also meets weekly to address operational and urgent matters.

The Senior Management Team (SMT) regularly meets with the wider management team in interactive update and planning sessions. Appropriate updates are shared with all colleagues through our regular 'All Together' webinars.

Trustees are invited to governance, management and "All Together" webinars periodically to assure themselves of the quality of communication, education and training that is being provided.

Legal and administrative information

Our trustees

Jill Carnie	Co-Chair *(appointed September 25)*
Ruth Taylor	Co-Chair *(appointed September 25)*
William (Barry) Egan	Deputy Chair, People Committee Chair
Steven Johnson,	Treasurer, Finance Committee Chair
Rosalind Britton	
Karen Blatchford	
Anthony (Tony) Clark	Estates Committee Chair
Tony Moss	Quality and Performance Committee Chair
Emma Symes	
Isha Symonds	
Richard (Will) Painter	
David Rennie	
Daniel Rennie-Hale	
Ian Sellwood	
Mike Rymer	Chair (Resigned July 2025)

Our senior leadership team

Stuart Palma	Chief Executive *(appointed April 2025)*
Cathy Heard	Finance Director *(appointed September 2025)*
Clare Thompson	Director of People and OD
Katie Cotton	Director of Fundraising and Communications *(appointed September 2025)*
Kathleen Houghton	Director of Operations
Dr Jane Whitehurst	Medical Director *(appointed February 2026)*
Alison Robertson	(Interim) Director of Nursing and Care *(appointed January 2026)*
Becki Jupp	Deputy CEO/Chief Commercial Officer *(resigned April 2026)*
Lisa Barrott	Chief of Nursing and Care *(resigned January 2026)*
Simone Ali	Medical Director, Martlets *(resigned February 2026)*
Rachel Paisley	Director of Public Fundraising and Retail *(resigned September 2025)*
John Headley	Chief Financial Officer *(resigned July 2025)*
Amanda Fadero	CEO *(resigned April 2025)*

Our advisors

Independent auditors

Kreston Reeves Audit LLP
9 Donnington Park
85 Birdham Road
Chichester
West Sussex
PO20 7AJ

Principal bankers

NatWest Bank PLC
5 Broadwater Street
East Worthing
West Sussex
BN14 9AB

Investment advisors

W1M Wealth Management Ltd
16 Babmaes St
London
SW1Y 6AH

Legal Advisors

DMH Stallard LLP
Griftin House
135 High Street
Crawley
West Sussex
RH10 1DQ

Girlings
35-41 Stourside Place
Station Road
Ashford
Kent
TN23 1PP

Registered office:

St Barnabas House
Titnore Lane
Worthing
West Sussex
BN12 6NZ

Company Number: 930107 • Charity Registration Number: 256789



Healthcare Assistant Emma with a patient.

Subsidiaries

Southern Hospice Group owns four subsidiary companies:

- Southern Hospice Trading Limited (name changed February 2025), formerly St Barnabas Hospices (Sussex) Trading Limited, whose purpose is to facilitate, in a tax compliant manner for the charity, certain activities such as trading bought-in goods. All the profits from the trading company are donated to the group.
- The Martlets Hospice Limited has been formally merged into Southern Hospice Group, under one registered charity number with an application to dissolve and strike off delivered and in process with Companies House.
- The Martlets Trading Company Limited is currently being wound down and is expected to be dissolved and struck off the Companies House register in the coming months.
- Southern Hospice Group Home Care Limited ceased trading in May 2026 and is in the process of being wound down, with an application for dissolution and strike-off to be submitted to Companies House in the coming months.

Statement of compliance

with duty to promote the success of the group

This statement is intended by the Board of Trustees to set out how they have approached and met their responsibilities under s172(1)(a) to (f) of The Companies Act 2006, in the period ending 31 March 2026.

Stakeholders of the group include employees, patients, families, volunteers, suppliers, customers, and the community in which it operates.

The trustees, both individually and collectively, consider that they have acted in good faith to promote the success of the group for the benefit of its stakeholders (having regard to the matters set out in s172 of the Act) in the activities taken during the period. In particular:

- To ensure the board takes account of the likely consequences of their decisions in the long term, they receive regular and timely information on all the key areas of the business including financial performance, operational matters, health and safety, environmental reports, risks and opportunities. The group's performance and progress are also reviewed regularly at board and senior leadership meetings.
- The group's employees are fundamental to the success of the group and, as such, the board continually enhances its methods of engagement. The Senior Leadership Team routinely provides employees with information on matters of concern, including performance and financial position, using a variety of formats, such as face-to-face meetings. Colleagues are consulted on matters which are likely to affect their interests, both in groups and, where appropriate, on an individual basis. Engagement activities, such as colleague surveys are carried out periodically, and the results carefully analysed and acted upon.
- Patient care is at the heart of the group, and it is essential to provide sustainable healthcare true to the group's values: caring, courageous and connected. This was the key perspective by which the board assessed the business case for the merger with Martlets. The trustees' intentions are to behave responsibly toward all stakeholders and treat them fairly and equally, whilst pursuing the long-term success of the group. The trustees have overall responsibility for determining the group's vision, mission, values and strategy and for ensuring high standards of governance.



- We work with local suppliers where we can, agreeing balanced and fair contractual terms and paying supplier invoices promptly. As a hospice organisation, we have a range of stakeholders such as patients, families, volunteers and retail customers.

The primary aim of the trustees is to promote the group's mission to provide comfort, dignity and choice for adults, young people and children with life-limiting illness through specialist and supportive care, ensuring the sustainable success of the group, and contributing to the wider society.



The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic 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.

Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102).
- make judgements and accounting estimates that are reasonable and prudent:
- state whether applicable UK Accounting Standards (FRS 102) 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 Group and Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Group and Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Ranil is a volunteer counsellor at Martlets.

Disclosure of information to the auditors

The trustees confirm that the Annual Report and financial statements of the charitable company comply with current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to all charities preparing their accounts in accordance with the financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Since the charitable company qualifies as large under section 382, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is included.

The trustees have complied with their duty under Section 17 of the 2011 Charities Act and have referred to the Charity Commission guidance on public benefit. The main activities undertaken to further the charity's purposes for the public benefit are detailed in this Annual Report.

Disclosure of information to the auditors

Each of the trustees has confirmed that there is no information about which they are aware that is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have undertaken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

The auditor, Kreston Reeves Audit LLP, has indicated their willingness to continue in office. A motion reappointing the auditor will be proposed at the next board meeting.

In approving the trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors. Approved and authorised for issue by the trustees on, and signed on their behalf, by:

Jill Carnie and Ruth Taylor
Co-Chairs

Steve Johnson
Treasurer

Date: 22 September 2026

Independent auditors' report

to the Members of Southern Hospice Group

Opinion

We have audited the financial statements of Southern Hospice Group (the 'parent charitable company') and its subsidiaries (the 'group') for the Year ended 31 March 2026 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2026 and of the Group's incoming resources and application of resources, including its income and expenditure for the Year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

Responsibilities of trustees

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

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

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

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and sector as a whole, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to Care Quality Commission (CQC) regulations, restrictions imposed by charity law on the use of restricted funds, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Charities SORP (FRS 102) 2019 and consider other factors such as tax legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as legacy income recognition.

Audit procedures performed by the engagement team included:

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.


Terry. Registered Nurse, St Barnabas House

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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



Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 Charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves Audit LLP

Lucy Hammond BSc FCA (Senior statutory auditor)

for and on behalf of

Kreston Reeves Audit LLP

Statutory Auditor

Chichester

Date: 24 September 2026

Consolidated Statement of Financial Activities
(incorporating income and expense account) for the year ended 31 March 2026

Southern Hospice Group	Note	2026 Unrestricted funds £000	2026 Restricted funds £000	2026 Total Funds £000	2025 Total Funds £000
Income From:					
Donations and legacies	3	13,718	1,251	14,969	12,884
Charitable activities	4	328	10,123	10,451	7,755
Other trading activities	5	8,844	-	8,844	9,054
Investments	7	462	-	462	487
Other income		208	-	208	157
Total income		**23,560**	**11,374**	**34,934**	**30,337**
Expenditure on:					
Raising funds		10,980	-	10,980	10,338
Charitable activities	8	14,637	8,039	22,676	23,741
Total expenditure	**8**	**25,617**	**8,039**	**33,656**	**34,079**
Net (expenditure)/income before net gains on investments		**(2,057)**	**3,335**	**1,278**	**(3,742)**
Net gains on investments		1,614	-	1,614	463
Net (expenditure)/income		**(443)**	**3,335**	**2,892**	**(3,279)**
Transfers between funds	18	2,468	(2,468)	-	-
Net movement in funds		**2,025**	**867**	**2,892**	**(3,279)**
Reconciliation of funds:					
Total funds brought forward		**48,315**	**172**	**48,487**	**51,766**
Net movement in funds		2,025	867	2,892	(3,279)
Total funds carried forward	18	**50,340**	**1,039**	**51,379**	**48,487**

The Consolidated statement of financial activities includes all gains and losses recognised in the Year.

The notes on pages 42 to 64 form part of these financial statements.

Consolidated Balance Sheet
as at 31 March 2026

Southern Hospice Group Limited	Note	2026 £000	2025 £000
Fixed assets			
Tangible assets	12	25,308	24,421
Investments	13	14,064	15,073
		39,372	39,494
Current assets			
Stocks		38	25
Debtors	14	8,618	4,342
Cash at bank and in hand	21	5,667	6,003
		14,323	10,370
Current liabilities			
Creditors: amounts falling due within one year	15	(2,316)	(1,324)
Net current assets		12,007	9,046
Total assets less current liabilities		51,379	48,540
Creditors: amounts falling due after more than one year	16	-	(53)
Total net assets		**51,379**	**48,487**
Charity funds			
Restricted funds	18	1,039	172
Unrestricted funds	18	50,340	48,315
Total funds		**51,379**	**48,487**

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

R Taylor
.....
Ruth Taylor (Co Chair)

Jill Carnie
.....
Jill Carnie (Co Chair)

S J
.....
Steven Johnson (Treasurer)

Date: 22 September 2026

The notes on pages 42 to 64 form part of these financial statements.

Charity Balance Sheet
as at 31 March 2026

Charity	Note	2026	2025
Fixed assets			
Tangible assets	12	25,308	24,421
Investments	13	14,100	15,109
		39,408	39,530
Current Assets			
Stocks		-	5
Debtors	14	8,778	4,433
Cash at bank and in hand		5,491	5,950
		14,269	10,388
Current liabilities			
Creditors: amounts falling due within one year	15	(2,193)	(1,321)
Net current assets		12,076	9,067
Total assets less current liabilities		51,484	48,597
Creditors: amounts falling due after more than one year	16	-	(53)
Total net assets		**51,484**	**48,544**
Charity funds			
Restricted funds	18	1,039	172
Unrestricted funds	18	50,445	48,372
Total funds		**51,484**	**48,544**

The Charity's net movement in funds for the Year was £2,940k (2025 - £(3,251k)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

R Taylor
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Ruth Taylor
(Co Chair)

Jill Carnie
.....
Jill Carnie
(Co Chair)

S J
.....
Steven Johnson
(Treasurer)

Date: 22 September 2026

The notes on pages 42 to 64 form part of these financial statements.

Consolidated Statement of cash flows
for the year ended 31 March 2026

Southern Hospice Group Limited	2026	2025
Consolidated statement of cash flows	**£000**	**£000**
Cash flows from operating activities		
Net cash used in operating activities	(406)	(6,438)
Cash flows from investing activities		
Dividends, interests and rents from investments	462	487
Purchase of tangible fixed assets	(2,676)	(606)
Proceeds from sale of investments	10,600	16,029
Purchase of investments	(8,316)	(11,878)
Net cash provided by investing activities	**70**	**4,032**
Change in cash and cash equivalents in the Year	**(336)**	**(2,406)**
Cash and cash equivalents at the beginning of the Year	**6,003**	8,409
Cash and cash equivalents at the end of the Year	**5,667**	**6,003**

The notes on pages 42 to 64 form part of these financial statements.

Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Southern Hospice Group meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line-by-line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The Financial statements are prepared in sterling and rounded to the nearest £1,000.

Going concern

The financial statements for the Group and parent charity are prepared on a going concern basis as the Trustees believe that no material uncertainties exist. After reviewing the group's and parent charity's forecasts and projections, the Trustees have a reasonable expectation that the group and parent charity have adequate resources to continue in operational existence for the foreseeable future.

Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Legacy income is recognised when the Charity has entitlement to the legacy, receipt is probable, and the amount receivable can be measured reliably. Entitlement arises when the Charity has sufficient evidence that a gift has been left to it, through knowledge of the existence of a valid will and the death of the benefactor, and the executor has confirmed that the assets are not required to satisfy liabilities of the estate.

The Charity applies a portfolio approach to the recognition of legacy income. Legacy estates are assessed collectively where they share similar characteristics and are at a similar stage of administration. Income is recognised based on the estimated amount expected to be received from the portfolio of estates, taking account of available information, historical experience and known uncertainties. The amount recognised represents the best estimate of the fair value of the consideration receivable by the Charity and is reviewed regularly as additional information becomes available.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Donated goods and services have not been recognised in these financial statements as it is not practicable to do so as the cost outweighs the benefit.

Accounting policies

Expenditure

Expenditure is recognised on an accruals basis. Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity comprising the salary and overhead costs of the central function is apportioned on an estimate of the staff time attributable to each activity.

Fundraising costs comprise costs incurred in encouraging people and organisations to contribute financially to the charity's work. Costs of charitable activities are those costs incurred in relation to the objectives of the charity.

Governance costs include expenditure incurred in relation to the constitutional and statutory requirements of the charity and comprise external audit fees, the preparation of the statutory financial statements, trustees' meetings, trustees' indemnity insurance and trustees' expenses.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Gift Aid

In the case of a Gift Aid payment made within the Group, income is accrued when the payment is payable to the Parent Charity under a legal obligation. Measurement is at the fair value receivable, which will normally be the transaction value.

Where the right to receive Gift Aid has been established, the amount receivable is recognised as income in the Consolidated statement of financial activities.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

- Freehold property - straight line over 30 years
- Leasehold property: shops - straight line over period of the lease
- Leasehold property: Chestnut House and Martlets - straight line over 30 years

Accounting policies

- Leasehold improvements - straight line over 20 years
- Motor vehicles - 25% per annum straight line
- Fixtures and fittings - 25%, 10% or 2% per annum straight line
- Computer equipment - 25% per annum straight line
- Freehold land - not depreciated

Assets costing less than £5,000, are written off to expenditure in the year of acquisition. Assets under construction are not depreciated until the asset is brought into use.

Investments

Listed investments are stated at market value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities and investment income is credited to income on an accruals basis. Investment management costs are charged as expenditure out of the relevant income funds.
Investments in subsidiaries are valued at cost less provision for impairment.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash at bank and in hand

Cash at bank and 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.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.
A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.
Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Financial instruments

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

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities in equal amounts over the period of the lease.

Accounting policies

Pensions

The parent charity operated a defined benefit scheme on behalf of employees – the NHS Pension Scheme. This scheme is a multi employer scheme where assets and liabilities of the scheme, applicable to each employer, are not separately identified. Therefore, the pension charge recorded in these financial statements is the amount of contributions payable on a defined contribution basis in the accounting year, plus any deficit funding agreed during the year to be paid in future years, in accordance with Financial Reporting Standard 102.

In addition, two defined contribution schemes are operated by the parent charity. Contributions payable are charged in the period to which they relate. Further information on the pension schemes can be found in note 23.

Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor or when funds are raised for a particular restricted purpose. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income receivable or generated for the objects of the charity. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

Critical accounting estimates and areas of judgement:

In applying the above accounting policies, the Trustees are required to make estimates and judgments.

Critical accounting estimates and assumptions:

The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The charity recognises legacy income when entitlement has been established, receipt is probable and the amount receivable can be measured reliably. For a population of individually immaterial legacy estates, the trustees have adopted a portfolio approach in estimating the value of legacy income and debtors recognised at the reporting date.

The estimate is based on historical experience and current information available in respect of estates under administration, including expected estate values, administration costs, settlement patterns and collection rates. The portfolio is reassessed at each reporting date to reflect updated information.

Due to the inherent uncertainty associated with the administration of estates, the actual amounts ultimately received may differ from those estimated. Changes in assumptions regarding estate values, administration costs, the timing of distributions or the collectability of legacy income could result in material adjustments to the carrying value of legacy debtors and legacy income recognised in future periods.

Other critical accounting estimates relate to tangible fixed assets, which are stated at their deemed cost less accumulated depreciation. The charity determines estimates of the useful economic lives and residual values of its tangible fixed assets when calculating depreciation charges.

These estimates are based on factors including the expected use of the acquired asset and market conditions. The Trustees review these estimates at each reporting date and revise them where necessary.

Accounting policies

Critical areas of judgment:

The Trustees have exercised judgment in determining that the portfolio approach adopted for the recognition of individually immaterial legacy estates provides a reliable estimate of legacy income and debtors at the reporting date.

The key judgments applied in these financial statements are in determining the allocation of expenditure to restricted or designated funds.

3. Income from donations and legacies

Southern Hospice Group Limited	Note	2026 Unrestricted funds £000	2026 Restricted funds £000	2026 Total funds £000
Donations		4,603	201	4,804
Legacies		9,115	1,050	10,165
Total		**13,718**	**1,251**	**14,969**

The Group has estimated contingent assets of £Nil (2025: £4,395k) in respect of legacy interests that had not met the recognition criteria at the year end. Applying its portfolio approach to legacy income, the Group expects a proportion of these amounts to be recognised in the next financial year as estates progress and the relevant recognition criteria are satisfied.

Southern Hospice Group Limited	Note	2025 Unrestricted funds £000	2025 Restricted funds £000	2025 Total funds £000
Donations		6,073	354	6,427
Legacies		6,457	-	6,457
Total		**12,530**	**354**	**12,884**

4. Income from charitable activities

Southern Hospice Group Limited	2026 Unrestricted funds £000	2026 Restricted funds £000	2026 Total funds £000
NHS grants	-	5,038	5,038
Contractual income	259	2,721	2,980
Other grants	0	2,364	2,364
Education income	69	-	69
Total	**328**	**10,123**	**10,451**

Southern Hospice Group Limited	2025 Unrestricted funds £000	2025 Restricted funds £000	2025 Total funds £000
NHS grants	-	4,794	4,794
Contractual income	134	1,567	1,701
Other grants	436	664	1,100
Education income	160	-	160
Total	**730**	**7,025**	**7,755**

NHS restricted grants received by the parent charity comprise £4,323k (2025: £4,099k) restricted for the adult hospices from Coastal West Sussex Integrated Care Board (ICB), NHS Brighton and Hove ICB and NHS High Weald Lewes Havens ICB and £715k (2025: £695k) restricted for the children's hospice from the Department of Health.

Statutory contract income of £2,980k (2025: £1,701k) was received for the provision of care at St Barnabas House and Chestnut Tree House from local county councils and Coastal West Sussex ICB.

In the year ending 31 March 2026 other grant income includes funding from Hospice Uk for capital grant of £2,364k (2025: £621k).

5. Income from other trading activities

Southern Hospice Group Limited	2026 Retail £000	2026 Fundraising £000	2026 Care £000	2026 Total £000
Raising funds	5,179	2,806	859	**8,844**
	5,179	**2,806**	**859**	**8,844**

In the year ended 31 March 2026, of the total income from trading activities, £nil (2025: £nil) was to restricted funds.

Southern Hospice Group Limited	2025 Retail £000	2025 Fundraising £000	2025 Care £000	2025 Total £000
Raising funds	5,210	3,015	829	**9,054**
	5,210	**3,015**	**829**	**9,054**

6. Expenditure from raising funds

Southern Hospice Group Limited	2026 Retail £000	Fundraising £000	Care £000	Total £000
Salary costs (note 8)	2,822	1,996	802	**5,620**
Other costs excluding retail depreciation	1,850	1,019	78	**2,947**
Support costs (note 8)	1,020	477	916	**2,413**
	5,692	**3,492**	**1,796**	**10,980**

Support salaries are included in support costs.

Southern Hospice Group Limited	2025 Retail £000	Fundraising £000	Care £000	Total £000
Salary costs (note 8)	2,588	1,813	672	**5,073**
Other costs excluding retail depreciation	1,772	1,495	76	**3,343**
Support costs (note 8)	850	1,014	58	**1,922**
	5,210	**4,322**	**806**	**10,338**

7. Investment income

Southern Hospice Group Limited	Unrestricted funds 2026 £000	Total funds 2026 £000
Income from listed investments	267	267
Interest receivable	195	195
Total	**462**	**462**

Southern Hospice Group Limited	Unrestricted funds 2025 £000	Total funds 2025 £000
Income from listed investments	438	438
Interest receivable	49	49
Total	**487**	**487**

8. Total Expenditure

Southern Hospice Group Limited	2026 Staff costs excluding support salaries £000	Other costs £000	Support costs including support salaries £000	Total funds £000
Charitable activities				
St Barnabas	5,726	205	3,054	8,985
Chestnut Tree House	3,158	88	2,163	5,409
Martlets Hospice	5,267	203	2,812	8,282
Total charitable activities	**14,151**	**496**	**8,029**	**22,676**
Raising funds	**5,620**	**2,947**	**2,413**	**10,980**
Total expenditure	**19,771**	**3,443**	**10,442**	**33,656**

	2026 Raising funds £000	Charitable activities £000	Total £000
Support cost allocation			
Support staff costs	1,440	3,626	**5,066**
Premises, technology and other costs	973	4,403	**5,376**
	2,413	**8,029**	**10,442**

In the year ended 31 March 2026, £8,039k of the total expenditure on charitable activities was from restricted funds (2025: £6,759k)

Governance Costs of the charity total £70k (2025: £81k) relating to the auditor's remuneration (note 9), trustees' insurance and expenses (note 11) are included within 'Premises, technology and other costs'.

Southern Hospice Group Limited	2025 Staff costs excluding support salaries £000	Other costs £000	Support costs including support salaries £000	Total funds £000
Charitable activities				
St Barnabas	5,773	811	2,244	8,828
Chestnut Tree House	3,524	1,090	1,668	6,282
Martlets Hospice	5,279	1,437	1,914	8,630
Total charitable activities	**14,576**	**3,338**	**5,826**	**23,740**
Raising funds	**5,074**	**3,344**	**1,921**	**10,339**
Total expenditure	**19,650**	**6,682**	**7,747**	**34,079**

	2025 Raising funds £000	Charitable activities £000	Total £000
Support cost allocation			
Support staff costs	1,118	3,392	**4,510**
Premises, technology and other costs	803	2,434	**3,237**
	1,921	**5,826**	**7,747**

9. Auditors' remuneration

Southern Hospice Group Limited	2026 £000	2025 £000
Fees payable to the Group's auditor for audit related work	52	60
Fees payable to a fellow group entity of the Group's auditor for non-audit related work	11	19

10. Staff Costs

Southern Hospice Group Limited	Group 2026 £000	Group 2025 £000	Charity 2026 £000	Charity 2025 £000
Wages and salaries	20,667	20,840	19,951	20,064
Social security costs	2,376	1,943	2,324	1,929
Contribution to defined contribution pension schemes	1,515	1,596	1,490	1,588
	24,558	24,379	23,765	23,581

During the year ended 31 March 2026, the charity paid £583K (2025: £90K) of redundancy payments to 55 (2025: 5) employees. There were no unpaid amounts at the balance sheet date.

During the year ended 31 March 2026, the charity paid £6.3K (2025: £79K) of ex-gratia payments to 1 (2025: 11) employee. There were no unpaid amounts at the balance sheet date.

The average number of persons employed (full time equivalent) by the Charity during the Year was as follows:

Southern Hospice Group	Group 2026 £000	Group 2025 £000	Charity 2026 £000	Charity 2025 £000
St Barnabas House	128	137	128	137
Chestnut Tree House	88	102	88	102
Martlets	108	120	108	120
Education, Quality & Research	5	10	5	10
Income generation	138	168	128	126
Governance	1	1	1	1
	468	538	458	496

The average total headcount of the group was 616 (2025: 540).

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

Southern Hospice Group	Group 2026 No.	Group 2025 No.
In the band £60,001 - £70,000	7	6
In the band £70,001 - £80,000	6	3
In the band £80,001 - £90,000	4	4
In the band £90,001 - £100,000	3	1
In the band £100,001 - £110,000	2	1
In the band £110,001 - £120,000	2	2
In the band £120,001 - £130,000	1	1
In the band £140,001 - £150,000	1	0
In the band £200,001 - £210,000	0	1

The aggregate pension contributions made by the charity on behalf of higher paid staff were £239K (2025: £160K). The number of higher paid staff accruing benefits in defined contribution and defined benefit pension schemes was 10 and 16 respectively (2025: 8 and 10).

The total amount of employee remuneration and benefits received by key management personnel was £1,229K (2025: £935K).

11. Trustees' remuneration and expenses

During the Year, no Trustees received any remuneration or other benefits (2025 - £NIL).

During the Year ended 31 March 2026, expenses totaling £72 were reimbursed or paid directly to 2 Trustees (2025 - £NIL to Trustee).

Trustees' indemnity insurance of £7.5K (2025 - £2.5K) was paid by the parent charity.

12. Tangible Fixed Assets

Southern Hospice Group Limited	Freehold Property	Long-term leasehold property	Short-term leasehold property	Motor vehicles	Fixtures and fittings	Computer equipment	Other fixed assets	Total
Cost or valuation								
At 1 April 2025	13,520	17,031	1,335	339	8,359	264	495	41,343
Additions	15	189	-	88	1,933	408	43	2,676
Disposals	-	-	-	(51)	-	-	-	(51)
Transfers between classes	(288)	-	-	-	288	-	-	-
At 31 March 2026	13,247	17,220	1,335	376	10,580	672	538	43,968
Depreciation								
At 1 April 2025	4,665	5,255	205	280	6,100	208	209	16,922
Charge for the Year	369	587	69	29	651	29	25	1,759
On disposals	-	-	-	(21)	-	-	-	(21)
At 31 March 2026	**5,034**	**5,842**	**274**	**288**	**6,751**	**237**	**234**	**18,660**
Net book value								
At 31 March 2026	**8,213**	**11,378**	**1,061**	**88**	**3,829**	**435**	**304**	**25,308**
At 31 March 2025	8,855	11,776	1,130	59	2,259	56	286	24,421

The Freehold property in the parent charity relates to the shops, consisting of units at Rustington, Wick and Ferring, were professionally valued in March 2014 by C G Spratt and Son Limited, estate agents, surveyors and valuers, on an open market basis at £125K, £220K and £150K respectively (total of £495K) and are recognised as deemed cost on transition to SORP 2015 (FRS 102). These assets are being depreciated from their valuation date.

The historic cost of these shops at Rustington, Wick and Ferring is £45K, £125K and £143K respectively.

Leasehold property, above, relates to leasehold property with less than 30 years remaining at the balance sheet date. There are no leases with more than 30 years remaining at the balance sheet date.

£2,364K of the additions in the year were funded by a restricted grant from Hospice UK, as shown in note 18.

Charity	Freehold Property	Long-term leasehold property	Short-term leasehold property	Motor vehicles	Fixtures and fittings	Computer equipment	Other fixed assets	Total
Cost or valuation								
At 1 April 2025	13,520	17,031	1,335	339	8,359	264	495	41,343
Additions	15	189	-	88	1,933	408	43	2,676
Disposals	-	-	-	(51)	-	-	-	(51)
Transfers between classes	(288)	-	-	-	288	-	-	-
At 31 March 2026	13,247	17,220	1,335	376	10,580	672	538	43,968
Depreciation								
At 1 April 2025	4,665	5,255	205	280	6,100	208	209	16,922
Charge for the Year	369	587	69	29	651	29	25	1,759
On disposals	-	-	-	(21)	-	-	-	(21)
At 31 March 2026	**5,034**	**5,842**	**274**	**288**	**6,751**	**237**	**234**	**18,660**
Net book value								
At 31 March 2026	**8,213**	**11,378**	**1,061**	**88**	**3,829**	**435**	**304**	**25,308**
At 31 March 2025	8,855	11,776	1,130	59	2,259	56	286	24,421

13. Fixed Asset Investments

Southern Hospice Group Limited	Listed investments £000	Other fixed asset investments £000	Total £000
Cost or valuation			
At 1 April 2025	14,901	172	15,073
Additions	8,313	3	8,316
Disposals	(10,600)	-	(10,600)
Revaluations	1,284	(9)	1,275
At 31 March 2026	13,898	166	14,064
Net book value			
At 31 March 2026	**13,898**	**166**	**14,064**
At 31 March 2025	14,901	172	15,073

Historic cost at 31 March 2026 was £12,818k (2025: £13,757k)

Charity	Investments in subsidiary companies £000	Listed investments £000	Other fixed asset investments £000	Total £000
Cost or valuation				
At 1 April 2025	36	14,901	172	15,109
Additions	-	8,313	3	8,316
Disposals	-	(10,600)	-	(10,600)
Revaluations	-	1,284	(9)	1,275
At 31 March 2026	36	13,898	166	14,100
Net book value				
At 31 March 2026	**36**	**13,898**	**166**	**14,100**
At 31 March 2025	36	14,901	172	15,109

14. Debtors

Southern Hospice Group Limited	Group 2026 £000	Group 2025 £000	Charity 2026 £000	Charity 2025 £000
Due within one year				
Trade Debtors	**23**	-	**-**	-
Amounts owed by group undertakings	**-**	-	**250**	167
Other debtors	**1,179**	898	**1,170**	898
Prepayments and accrued income	**7,416**	3,444	**7,358**	3,368
	8,618	4,342	**8,778**	4,433

15. Creditors: Amounts falling due within one year

Southern Hospice Group Limited	Group 2026 £000	Group 2025 £000	Charity 2026 £000	Charity 2025 £000
Trade creditors	**1,027**	482	**1,006**	482
Other taxation and social security	**18**	15	**-**	15
Other creditors	**603**	295	**557**	292
Accruals and deferred income	**668**	532	**630**	532
	2,316	1,324	**2,193**	1,321

	Group 2026 £000	Group 2025 £000
Deferred Income at 1 April 2025	-	422
Amounts released from previous periods	-	(422)
	-	-

Deferred income related to grants received in advance of the year to which the related service was provided.

Notes to the financial statements
for the year ended 31 March 2026

16. Creditors: Amounts falling due after more than one year

Southern Hospice Group Limited	Group 2026 £000	Group 2025 £000	Charity 2026 £000	Charity 2025 £000
Other creditors	-	53	-	53

17. Reserves: Movements by fund

Southern Hospice Group Limited	Restricted Funds 2026 £000	Designated Funds 2026 £000	Unrestricted Funds 2026 £000	Total Funds 2026 £000
Balance at 1 April 2025	**172**	**25,849**	**22,466**	**48,487**
Net operating income / (expenditure)	3,335	(542)	(1,515)	1,278
Net gains / (losses) on investments	-	-	1,614	1,614
Net increase / (decrease) in reserves	3,335	(542)	99	2,892
Transfers between funds	(2,468)	(21,921)	24,389	-
Net increase/ (decrease) in reserves	**867**	**(22,463)**	**24,488**	**2,892**
Balance at 31 March 2026	**1,039**	**3,386**	**46,954**	**51,379**
Less:				
Fixed assets	-	-	(25,308)	(25,308)
Available reserves	**1,039**	**3,386**	**21,646**	**26,071**

Southern Hospice Group Limited	Restricted Funds 2025 £000	Designated Funds 2025 £000	Unrestricted Funds 2025 £000	Total Funds 2025 £000
Balance at 1 April 2024	**223**	**30,911**	**20,632**	**51,766**
Net operating income / (expenditure)	577	(1,727)	(2,592)	(3,742)
Net gains / (losses) on investments	-	-	463	463
Net increase / (decrease) in reserves	577	(1,727)	(2,129)	(3,279)
Transfers between funds	(628)	(3,335)	3,963	0
Net increase/ (decrease) in reserves	**(51)**	**(5,062)**	**1,834**	**(3,279)**
Balance at 31 March 2025	**172**	**25,849**	**22,466**	**48,487**
Less:				
Fixed assets	-	(24,421)	-	(24,421)
Available reserves	**172**	**1,428**	**22,466**	**24,066**

Notes to the financial statements
for the year ended 31 March 2026

18. Statement of Funds

Southern Hospice Group Limited	Balance at 1 April 2025	Income	Expenditure	Transfers in/(out)	Gains/ (Losses)	Balance at 31 March 2026
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
Designated funds						
Tangible fixed assets	24,421	-	-	(24,421)	-	-
Service Development fund	1,428	-	(542)	(886)	-	-
Organisational Redesign	-	-	-	386	-	386
Capital Expenditure	-	-	-	2,000	-	2,000
Income Generation	-	-	-	1,000	-	1,000
Total Designated funds	25,849	-	(542)	(21,921)	-	3,386
Other Unrestricted funds						
General Funds	22,466	23,560	(25,075)	24,389	1,614	46,954
Total Unrestricted funds	**48,315**	**23,560**	**(25,617)**	**2,468**	**1,614**	**50,340**
Restricted funds						
Operating and equipment fund	172	1,251	(280)	(104)	-	1,039
Contracted income	-	2,721	(2,721)	-	-	-
NHS Grant - Adults	-	4,323	(4,323)	-	-	-
NHS Grant - Children	-	715	(715)	-	-	-
Hospice UK Capital Grant	-	2,364	-	(2,364)	-	-
Total Restricted funds	**172**	**11,374**	**(8,039)**	**(2,468)**	**-**	**1,039**
Total of funds	**48,487**	**34,934**	**(33,656)**	**-**	**1,614**	**51,379**

Designated funds

The tangible fixed assets funds held in the prior year represented charitable funds invested in operational fixed assets (at cost). The assets will be used throughout the time of activity of the Group. Expenditure from the funds represents the annual depreciation on the deemed cost of those assets. The transfers into the fund relates to adjustments arising on acquisitions and disposals. At the year end, the charity has decided to no longer recognise these as a separate designated fund and they have been transferred to general unrestricted funds.

The Chestnut Tree capital development fund was set up to cover the costs of a renovation programme centred around the children's bedrooms. This is now complete.

The St Barnabas capital development fund was set up to cover the costs of a renovation programme centred around the In-patient Unit and the Living Well area. This is now complete.

The Service Development fund was set up in 2021/22 to cover anticipated operating losses over the next three year period when the charity was consolidating activities and diversifying income streams.

Aligned to our five-year forecast, we have allocated the following designated reserves:

Restructure fund - These funds are allocated to support the conclusion of organisation redesign which was agreed in the current financial year.

Income Generation - To support our voluntary income ambitions, we have allocated funds across Retail and Fundraising, with the primary focus in the next two financial years.

Capital expenditure - We have agreed and ringfenced funds for capital expenditure of £0.5m per annum.

Transfers out relate to monies spent or reallocated for other purposes during the year.

Restricted funds

Operating and equipment funds - represent donations made for specific equipment purchases and running costs in the hospices. When specific assets are purchased, a transfer is made to move the value from restricted funds to general funds.

Contracted Income – At Chestnut Tree House this supported Funded Nights and End of Life care and at St. Barnabas and Martlets CHC income for fast track specialist palliative care and CHC block purchased beds.

NHS grant - Adults relates to the grant received by St Barnabas House provided by NHS Coastal West Sussex to cover partial operating costs of St Barnabas and the grant received by Martlets provided by NHS Brighton and Hove Clinical Commissioning Group and NHS High Weald Lewes Havens Clinical Commissioning Group to cover partial operating costs of Martlets.

NHS grant - Children relates to the grant received by Chestnut Tree House grant provided by The Department of Health to cover partial operating costs of Chestnut Tree House.

Hospice UK Capital Grant - this represents income received from the government via Hospice UK to be spent on capital projects in the year of receipt.

Notes to the financial statements
for the year ended 31 March 2026

Southern Hospice Group Limited	Balance at 1 April 2024 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 March 2025 £000
Unrestricted funds						
Designated funds						
Tangible fixed assets	25,541	-	(1,727)	607	-	24,421
CTH capital development	150	-	-	(150)	-	-
STBH capital development	50	-	-	(50)	-	-
Service Development fund	5,170	-	-	(3,742)	-	1,428
Total Designated funds	30,911	-	(1,727)	(3,335)	-	25,849
Other Unrestricted funds						
General Funds	20,632	22,958	(25,550)	3,963	463	22,466
Total Unrestricted funds	**51,543**	**22,958**	**(27,277)**	**628**	**463**	**48,315**
Restricted funds						
Operating and equipment funds	216	354	(398)	-	-	172
Contracted income	-	1,610	(1,610)	-	-	-
NHS Grant - Martlets	-	2,630	(2,630)	-	-	-
NHS Grant - St Barnabas House	-	1,469	(1,469)	-	-	-
Department of Health - Chestnut Tree House	-	695	(695)	-	-	-
Hospice UK Capital Grant	-	621	-	(621)	-	-
Other	7	-	-	(7)	-	-
Total Restricted funds	**223**	**7,379**	**(6,802)**	**(628)**	**-**	**172**
Total of funds	**51,766**	**30,337**	**(34,079)**	**-**	**463**	**48,487**

19. Analysis of net assets between funds

Southern Hospice Group Limited	Unrestricted funds 2026 £000	Restricted funds 2026 £000	Total funds 2026 £000
Tangible fixed assets	25,308	-	25,308
Fixed asset investments	14,064	-	14,064
Current assets	13,284	1,039	14,323
Creditors due within one year	(2,316)	-	(2,316)
Total	**50,340**	**1,039**	**51,379**

Southern Hospice Group Limited	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Total funds 2025 £000
Tangible fixed assets	24,421	-	24,421
Fixed asset investments	15,073	-	15,073
Current assets	10,198	172	10,370
Creditors due within one year	(1,324)	-	(1,324)
Creditors due in more than one year	(53)	-	(53)
Total	**48,315**	**172**	**48,487**

20. Reconciliation of net movement in funds to net cash flow from operating activities

Southern Hospice Group	Group 2026 £000	Group 2025 £000
Net income/expenditure for the year (as per Statement of Financial Activities)	2,892	(3,279)
Adjustments for:		
Depreciation charges	1,759	1,727
Gains on investments	(1,275)	(1,883)
Dividends, interests and rents from investments	(462)	(487)
Loss on the sale of fixed assets	30	-
Decrease/(increase) in stocks	(13)	21
Increase in debtors	(4,276)	(1,912)
Increase/(decrease) in creditors	939	(625)
Net cash used in operating activities	**(406)**	**(6,438)**

21. Analysis of cash and cash equivalents

Southern Hospice Group Limited	Group 2026 £000	Group 2025 £000
Cash in hand	5,667	6,003
Total cash and cash equivalents	**5,667**	**6,003**

22. Analysis of changes in net debt

Southern Hospice Group	At 1 April 25 £000	Cashflows £000	At 31 March 26 £000
Cash at bank and in hand	6,003	(336)	5,667
	6,003	**(336)**	**5,667**

23. Pension commitments

Royal London Group Personal Pension Plan
This scheme is a defined contribution scheme, open to all employees under auto enrolment.

NHS Pension Scheme
The NHS Pension Scheme is an unfunded occupational scheme backed by the Exchequer, which is open to all NHS employees and employees of other approved organisations. The Scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. As such, it is not possible for the Group to identify its share of the assets and liabilities of the underlying scheme.

The Exchequer also funds the year-on-year difference between the Scheme's contribution income and the actuarially assessed growth in scheme liability, interest charges and other in year increases in liability.

During the year Group paid £1,515K (2025: £1,596K) in relation to the defined contribution scheme, at the year end the group owed £219K (2025: £212K).

24. Operating lease commitments

At 31 March 2026 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

Southern Hospice Group	Group 2026 £000	Group 2025 £000	Charity 2026 £000	Charity 2025 £000
Not later than 1 year	740	342	740	342
Later than 1 year and not later than 5 years	1,589	668	1,589	668
Later than 5 years	577	86	577	86
Total	**2,906**	**1,096**	**2,906**	**1,096**

The following lease payments have been recognise as an expense in the statement of Financial Activities:

Southern Hospice Group	Group 2026 £000	Group 2025 £000	Charity 2026 £000	Charity 2025 £000
Operating lease rentals	1,050	721	1,050	721

25. Related Party transactions

During the year the charity made the following related party transactions

University Hospitals Sussex - NHS Foundation Trust
During the year the charity purchased medical supplies totaling £78K (2025: £55K) from University Hospitals Sussex - NHS Foundation. Mr D Rennie-Hale is a trustee of Southern Hospice Group and an employee of University Hospitals Sussex - NHS Foundation. At the year end an amount of £0.4K (2025: £80K) was due to the University Hospitals Sussex - NHS Foundation from the charity.

NHS Sussex - ICB
In the prior year, Mr S Palma was a trustee of Southern Hospice Group until 7 January 2025, and was an employee of NHS Sussex - ICB for the year ended 31 March 2025. In the prior year, the charity recognised grant income of £73K from NHS Sussex - ICB. The charity also recognised purchases totalling £5K. At the prior year end the charity was owed £350K from NHS Sussex - ICB. Related party disclosures are not required for the year ended 31 March 2026

26. Controlling party

The Trustees are the controlling party

27. Post balance sheet events

On 8 May 2026, the activities of the charity's subsidiary, Southern Hospice Group Home Care Ltd, ceased and it is the intention of the directors to wind up the company in the near future.

28. Principal subsidiaries

Names	Company number	Registered office or prinicpal place of business	Principal activity	Class of shares	Holding	Included in consolidation
Southern Hospice Trading Limited	07157835	St Barnabas House, Titnore Lane, Worthing	Retail	Ordinary	100%	Yes
Southern Hospice Group Home Care Ltd	06250709	Martlets Hospice, Wayfield Avenue, Hove, England, BN3 7LW	Provision of Care and Welfare Services	Ordinary	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £000	Expenditure £000	Profit / (Loss) / Surplus / (Deficit) for the year £000	Net assets / (liabilities) £000
Southern Hospice Trading Limited	184	(184)	-	-
Southern Hospice Group Home Care Ltd	859	(879)	(20)	(12)

Thank you

We would like to thank:

AJ Taylor Electrical

Alison Edwards

Antares Global Management

Arthur and Doreen Green Property Fund at SCF

Best of British Events

Blue 14

Brighton & Hove Buses

Brighton District Nursing Association (BDNA) Trust

Bryan & June Amos Foundation

Bupa Foundation

Cabot Financial

Camelia Botnar Foundation

Cash 4 Cancer

Claudia Bush

Cyril Taylor Charitable Foundation

ECE Group

Elaine Gault and Liz Limond

Elizabeth Warren

February Foundation

Friends of Sussex Hospices

Gravetye Manor

GTA Interior

Helen Benson-Reynolds

Hopegar Properties Ltd

Ian Hart Funeral Services

Jim Lewcock

Jim Sampson

John Miles

Ken Ozanne

Legal & General

Mark Fuller

Mortimer Clarke Solicitors

Natwest Eastbourne

Norman Cook

Parker Hannifin

Patricia Routledge Foundation

Patrick Moorhead

Paw Paddock Ltd

Phil Bean

Philip Henman Trust

Professor Liz Juniper and Mrs Jilly Styles

Rene & Ghislaine of Paris Healing Foundation

Rivervale

Sara Hopkins

Schroders Investment Management Ltd and Benchmark Capital

ShareGift

Sheila Lee

Shoreham Vehicle Auctions

Supporters of Millie Stoner

Susie Llewelyn

Sussex Masonic Charitable Foundation

Technetix Group Ltd

Temco

The Albert Hunt Trust

The Bloom Foundation

The Ernest Kleinwort Charitable Trust

The Rotherwick Foundation

Together for Short Lives

Travel Places

Yolk House



Together, we share an ambition to build a resilient, sustainable future for hospice care.

Stuart Palma
Chief Executive Officer

Stuart pictured with Sam, our adult inpatient services manager.



Chestnut Tree House



Martlets



St Barnabas House

Southern Hospice Group

St Barnabas House, Titnore Lane
Worthing, West Sussex
BN12 6NZ

Please contact the Marketing & Communications Team
marketing@southernhospicegroup.org.uk

St Barnabas House Chestnut Tree House Martlets | Southern Hospice Group

Southern Hospice Group is a charity registered in England (registered charity number 256789) and is incorporated as a company limited by guarantee (registered in England number 930107).