



Report and Accounts

Year ended 31 March 2024

Severn Hospice Limited

A Registered Charity No. 512394

A Company Limited by Guarantee No.1608025

Registered Office: Bicton Heath, Shrewsbury SY3 8HS

Tel: 01743 236565

www.severnhospice.org.uk

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Trustees' Annual Report

The Trustees (the Directors for Company Law purposes) submit their annual report and the audited financial statements for the year ended 31 March 2024. The annual report and financial statements of the charity have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective January 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Objectives and Activities

Statement of Public Benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. The mission statement of Severn Hospice sets out the activities which the charity undertakes for the public benefit. These services are provided free of charge to the residents of Shropshire, Telford & Wrekin, North Powys, Ceredigion and, when appropriate, to people living outside this catchment area e.g. when their families live locally.

Mission Statement

Our mission is to provide high standards of Specialist Palliative and End of Life Care through a range of Hospice Services 'here and at home', that recognise the individual and their preferences.

To achieve our mission, we will:

- Care for patients and their families as individuals and strive to meet their unique needs.
- Consider people's preferences in where they receive their treatment and care, whether this is in the home, as outpatients, with our day services or in our wards.
- Provide high quality and timely information about conditions, treatment, and the range of services available.
- Provide high quality, evidence-based clinical care through the range of hospice services.
- Create care environments which meet regulatory requirements, are safe, welcoming, attractive and homely.
- Provide care which neither hastens nor postpones death but which enables people to live as well as they can and to end their lives in peace and with dignity.
- Support families through bereavement following loss of a loved one.
- Nurture and support the skills, contribution and well-being of our staff and volunteers as our most valuable resource.
- Provide all our services free of charge by raising sufficient income from charitable and non-charitable sources.
- Share knowledge and skills with other health care professionals at home and abroad, supporting good care wherever it takes place.

Objectives

The general aims and objectives of the Hospice are to support and care for people living with a terminal illness within the catchment of Shropshire, Telford & Wrekin, North Powys and Ceredigion, in particular by:

- Providing specialist palliative and end of life care through a range of inpatient and community services for people suffering from a terminal illness.
- Conducting audits and promoting and encouraging research into the care and treatment of people suffering from a terminal illness and for the dissemination of the results of such research.
- Promoting, encouraging, and assisting in the teaching or training of doctors, nurses, physiotherapists and other professions.

The charity aims to meet these objectives by achieving a service provision which:

- Demonstrates a holistic, person-centred approach to the care of people with life-limiting illnesses adopting the principles stated in the accepted definitions of palliative care.
- Offers a well-co-ordinated, multi-professional and 'seamless' service which integrates specialist palliative care services with primary, secondary, and tertiary health care services, voluntary agencies and social services.
- Offers a wide range of services that are both clinically and cost effective and are accessible to all residents in the area.
- Provides support and training to all members of staff involved in the care of people with terminal illnesses.

Activities

Our Wards

We provide 24 hour care for patients with complex palliative care needs within consultant led inpatient wards at both our Shrewsbury and Telford sites. We currently have 18 beds.

Care is provided through a multi-disciplinary team which includes specialist doctors, nurses, a range of therapists, chaplains, and social workers.

Our patient bedrooms have en-suite facilities to protect the privacy and dignity of patients and all rooms look out onto our tranquil gardens with direct access to the grounds. Except in the case of infection control restrictions, families can visit whenever they want, and they can even bring their pets if they wish to. This is a small example that demonstrates the difference between a hospice and hospital setting for patients requiring palliative care.

Day Services

The Hospice prides itself in delivering day services in line with the concept of 'Living Well'. Within therapeutic environments, which includes the Community Services Centre, we offer specialist palliative care which includes access to consultant and specialist nursing advice, a range of therapies including palliative rehabilitation, group activities, counselling, and bereavement support. Our teams work with patients to identify their specific needs and personal goals for living and support them to live as well as possible within the constraints of their illness.

In addition, the day services team organise community coffee mornings at several locations across our catchment area with the aim to make Hospice care more accessible within familiar, relaxed and informal surroundings.

Hospice at Home

Four out of five patients referred to Severn Hospice are cared for in their own homes. Severn Hospice at Home is a responsive integrated service that comprises first contact; early intervention; access to specialist consultation clinics; specialist advice and clinical interventions; spells of nursing care through the day and night; consultant led virtual hospice beds.

Working alongside other community health professionals the Hospice works to support patients who choose to be cared for and die at home. This developed service is designed to support the range of care needs as the patient condition changes.

Family Support Service

The Hospice family support service is delivered by a team of social workers and chaplains who support patients and their families in the community and our inpatient wards. A significant part of their work is the provision of a bereavement service for both adults and children.

Voluntary Services

The work of the Hospice is supported by a body of volunteers. Our volunteers support all areas of the Hospice including services, administration, income generation, shops, gardens, and with fundraising events. This support is estimated at an annual value in excess of £1 million but cannot be measured in purely monetary terms. Without volunteers the Hospice would struggle to provide the level of services that it does.

Strategic Report

Achievements and Performance that we committed to do in 2023-24	How we performed
<p>To continue to develop our community services model with the addition of virtual beds, supporting patient's preference to be cared for at home and reducing demand on hospice and hospital beds.</p>	<p>We have supported 168 patients within virtual hospice beds in the last year. Without this level of support these patients would have needed admission either to the Hospice or hospital.</p> <p>Our integrated Hospice at Home model is now even more responsive and has improved the patient journey through our services.</p>
<p>To make our money match our ambitions by maximising existing and exploring new income streams.</p>	<p>During the year fresh ideas have been explored that aim to deliver new income streams. These include launching a new legacy campaign, installing an in-memory sculpture, creating a newsletter to celebrate 35 years of the Hospice. Expanding our Refresh café to cater for external events. A drive to increase ecommerce sales in our shop network.</p>
<p>To implement phase 1 of a cost improvement plan (CIP) taking opportunities to innovate and work differently.</p>	<p>Implementation of phase 1 of the CIP has been a success. Annual cost savings in excess of £500k will be delivered by the end of a 2-year period. These are recurring savings and have allowed the Hospice to manage periods of high wage inflation and meet the challenges of staff retention and recruitment during difficult economic conditions and without impacting services.</p>
<p>Following an analysis of inpatient activity, test a small reduction in beds at our Bicton site through a one-year proof-of-concept initiative and any effect on our ability to meet demand.</p>	<p>A reduction of 2 beds at Bicton was tested for one year during which time we continued to meet demand and maintain waiting times. This has resulted in a saving of £194K as part of our cost improvement plan.</p>
<p>To improve access to Hospice care by seldom heard groups by better understanding the diversity and needs of our community.</p>	<p>The appointment of a community engagement lead nurse has allowed us to reach out into our communities and has given us a better understanding of its diversities. This information has already informed practice and policies.</p>

Activity for 2023-24

Severn Hospice provides palliative and end of life care for a combined population of around 713,000 in Shropshire, Telford & Wrekin, North Powys and Ceredigion. Population profiles demonstrate the mix of urban and rural communities in our patch. This puts a greater emphasis on the need to be flexible in our approach and in our provision of services.

Our service strategy is designed to reflect the diversity of the communities it serves, to improve access to Hospice care and to support our NHS partners through the delivery of specialist palliative and end of life care both within our wards and within the community. We aim to meet demand for specialist palliative and end of life care and support patient preferences and personal goals.

During the year we received 2,814 new patient referrals which translated into 8,347 referrals across our services. General access to GPs and hospital care continues to be impacted by the after-effects of the pandemic and ways of working which has led to continued delays in diagnosis and referral to treatment. As a result, referral for Hospice care is also delayed meaning that some patients are more advanced in their disease, and they are dying more quickly. The demand for home care continues to increase post pandemic but has now plateaued.

The development of a strong community now means that 4 out of 5 patients referred for Hospice care are cared for in their own homes. The launch of Virtual Hospice and the integration of our community services has increased our ability to support more patients with greater complexities at home. This increased community activity is now reflected in a reduced demand for inpatient care.

Our Priorities for 2024-25

- To continue to make our money match our ambitions by maximising existing and exploring new income streams.
- To identify options to reduce costs that have minimal impact on service delivery.
- To work with the ICB to secure the hospice grant and annual inflationary uplifts.
- To better understand the needs and diversity of our communities so that we can improve access for seldom heard groups.
- To better evidence established effective systems and processes for responding to safety incidents in line with CQC lines of enquiry.
- To continue to develop an integrated community services model that is responsive and supports a range of care needs.
- To establish and maintain relationships and partnerships that maximise our influence.

Financial Review

Annual Activity

The charity finished the year in a break-even position before investment gains/losses. The final quarter of the financial year saw significant increases in stock markets and at 31st March 2024, net investment gains of £471K lead to an overall surplus for the financial year of £471K.

Income

Total group income, before investment gains/losses, for the year ended 31 March 2024 was £14,712K an increase of £616K on the previous year. The principal funding sources for the charity were:

- donations and legacies £3,863K
- charitable activities £4,040K
- other trading activities £6,281K
- investments £450K
- other income £78K

Donations and legacy income increased by £75K in 23/24. Legacy income fluctuates from year to year depending on number of legacies, probate dates and notifications from solicitors. A legacy strategy is in place to try to influence this unpredictable source of income which the charity is very much reliant upon. Budgetary assumptions for legacy income are approved by the Finance Committee and the Reserves policy has also been developed to mitigate any short-term risk from any downward trend.

Charitable activities comprise the income received from NHS Clinical Commissioning Groups (CCGs), health care bodies and other governmental organisations. This income is received towards the treatment and care of people diagnosed with a terminal illness, together with income towards the education and training of the professionals delivering the treatment and care.

Other trading activities comprise income generated through the shop network, lottery operation and fundraising events. Two new

shops were opened in the financial year boosting trading income. Net attrition continues to erode our lottery membership and strategies to increase recruitment are in place. In total, trading income increased by £258K.

Retail sales remain strong. Since 22-23 income has increased by £234K year on year with the opening of the Bicton Heath and Market Drayton shops (the 32nd shop), income has been at the highest level ever.

Regarding *Hospice Projects Limited*, core sales come from Christmas cards and Refresh café sales. The café is now strongly established with sales increasing and a new "Refresh on the Road" initiative being introduced in 23-24.

The Hospice Lottery continues to provide a predictable income source, with a net contribution of £832K. Current strategy is to continue using a canvassing company for recruitment of players, however the recruitment of canvassers in the area is at times proving difficult.

Fundraising events have always been a very visible and important income source. The London Marathon, Lights of Love, Annual Memorial Service and Dragon Boats are all major contributors. Details of the top events in the year are given at note 5d.

Investment income, attributable to funds held as cash, has benefitted from the increase in interest rates. Unfortunately, an investment loss of £10K has also been recognised on a property owned by the Hospice which is now up for sale. However, on the positive side, stock markets rose by the end of the financial year resulting in a net investment gain from the share portfolio of £481K, clawing back some of the sizeable loss made in the previous year. The charity continues to hold a mixed portfolio of high-quality investments, with the investment strategy reviewed regularly by the Finance Committee.

Expenditure

Total group costs for the year ended 31 March 2024 were £14,712K, an increase of £898K on the previous year. Inflationary cost pressures were experienced in respect of both supplier prices and the need to maintain competitive salaries.

Costs associated with charitable activities increased by £446K. Hospital Services are no longer funded by the Hospice.

Costs associated with raising funds through fundraising and trading activities increased by £452K; £265K relates to shops reflecting wage increases and the costs of additional shops. Hospice Projects costs increased by £20K mostly attributable to the Refresh café. Lottery costs were lower by £59K reflecting decreased activity by the canvassing company which is currently experiencing recruitment difficulties.

As a large proportion of fundraising costs are fixed, a significant swing in income, especially when attributable to legacies, can cause a significant impact on the fundraising cost ratio. This financial year it has increased to 16 pence in the pound (2022-23 at 13p/pound), because the Hospice has invested in the fundraising team to drive the need for increased income to meet the organisations higher operating costs. The ratio excludes costs attributed to Retail, Severn Promotions Company Limited and Hospice Projects Limited. This approach is consistent with reporting within the sector, enabling fair comparisons to be made.

Support costs, apportioned within the total expenditure costs, total £3,749K and include the costs of running and maintaining the Hospice buildings, vehicles and gardens; catering costs; costs of central governance and administrative functions including HR and Communications; Finance and IT support functions. These have increased by £457K, driven by some increased resourcing in central functions and increased annual increments. Overall support costs have increased slightly as a proportion of total group expenditure at

25%. Further breakdowns of costs are given in note 9 of the accounts.

Surplus/Deficit

The Hospice finished the year in a breakeven position excluding investment gains. The overall surplus for the year of £471K was stated after recognising the effect of £471K of net investment gains.

Funds and Reserves Policy

The total funds of the Group at 31 March 2024 are split between:

- Restricted funds £317K
- Designated Funds £14,548K
- General Funds £12,788K

Restricted Funds

During 2023-24, donations and funding totalling £1,205K was received to enable specific expenditure to be undertaken. At the end of the financial year, £317K remained unspent.

Designated Funds

The Trustees have established four designated funds which are explained as follows:

Fixed Assets Fund

The Fixed Assets Fund represents the book value of the charity's tangible fixed assets – money already spent but to be charged through the Statement of Financial Activities in future years. On 31 March 2024 this fund stood at £12,548K. Although these funds are unrestricted, they cannot be realised for other use without undermining the charity's work. To fulfil its charitable objectives, the organisation needs several properties, fixtures and fittings, other contents of the properties and motor vehicles.

Capital Projects Fund

This fund represents funds set aside for capital works. On Board approval, the balances on the Energy Sustainability Fund and Service Development Fund were transferred into this fund in 22-23. The Board approved that this

fund stands at £2M at the end of the financial year.

General Fund

The Trustees consider that in order to fulfil the charity's obligations to the communities it serves, to existing and future patients and their families and to the paid staff, it is a desirable objective for there to be reserves available at any time between 75% and 125% of the following year's estimated group running costs. Sufficient funds are held in cash to cover our immediate working capital requirements and any other short to medium term committed expenditure. The remainder is invested in accordance with the Investment policy.

On 31 March 2024, the group's general reserves were £12,788K representing approximately 10.5 months or 88% of the following year's estimated group running costs. This is within policy range. Even though income has recovered well post Covid-lockdowns, there is still uncertainty in respect of the economic inflationary cost pressures (including wage inflation), potential new governments around the world, the Russian war with Ukraine, peoples changing behaviour and government fiscal and monetary policy. Negative consequences will have an inevitable impact on reserves. The Trustees accordingly remain vigilant but confident that the Hospice will continue as a going concern for the foreseeable future.

Investment Policy

The charity's main investment portfolio is professionally managed by external fund managers with the objective of balancing capital growth and income within risk profiles defined by the Trustees and operational requirements.

The investment portfolios consist of a mixture of equities, bonds and property assets. Individual investments within each category of the portfolio will vary according to market conditions and the portfolios are actively managed with quarterly reporting and annual

presentations to the Finance Committee. The Trustees regularly monitor the ethical instruction of the charity investments and, as a result of this, tobacco companies are specifically excluded from the portfolio. No highly speculative investments, investments in derivatives markets, hedging or forward investments are included in the portfolios.

The practice of holding portfolios of investments with different and diversifying performance characteristics leaves the portfolio less exposed to movements in any particular asset class. No major change in strategy is contemplated soon.

Risk Management – Principal Risks and Uncertainties

The Trustees have a formal risk management process to assess the major risks to which the charity is exposed. This involves identifying the types of risks, prioritising them in terms of potential impact and likelihood of occurrence, and reviewing the systems established to mitigate the risks. The major risks, as identified by the Trustees, have been reviewed in accordance with this process and are identified as follows:

- Economic and global challenges continue to impact the Hospice. High wage inflation is causing running costs to increase significantly. Underlying deficits are expected in an average or below average income year. Our focus is on developing new income streams and continuing to reduce costs where possible. **Mitigation:** Maintaining sufficient reserves will help to support income shortfalls and cost pressures in the medium term. A phased cost reduction plan has been implemented. Phase one of the plan presented opportunities to restructure services and work differently without reducing levels of service. This is delivering savings of more than £500K over a two-year period. Solar panels are also being considered as a means to reduce utility costs long term. In addition, the investment in our income generation

resource will support new activities and income streams. Regular quarterly income and cost forecasting will track and monitor income and expenditure and enable informed decisions.

- The charity receives income from local NHS organisations in England, and from NHS Health Boards in Wales. Overall, this contribution amounts to approximately one-third of the charity's income. Such income is not being increased in line with inflation due to pressure on the NHS finances. **Mitigation:** relationship management with key influencers, a clear communications strategy to express the charity's position.
- Failure to meet staff numbers due to national shortage of nurses and the need to offer competitive salaries. **Mitigation:** a continuous review of skill mix, together with periodic recruitment fairs and the consideration of national advertising. Referring to appropriate pay benchmarks and implementing competitive pay awards within agreed financial constraints.
- Reputational damage arising from data protection breaches. **Mitigation:** regular staff training regarding best practice when dealing with information and working online. IT infrastructure improvements and implementing the latest security enhancements is ongoing.

Structure, Governance and Management

The roles, responsibilities and accountability of the Chair, Trustees and the senior managers are defined in a Scheme of Corporate Governance.

The Board of Trustees is the custodian of the aims and objects of the charity as set out in the Articles of Association. It is responsible for guiding and shaping policies by which these aims and objects are achieved, and of establishing the philosophy of care, which is at the heart of the work of the Hospice. The Trustees are responsible for taking decisions on the strategic direction of the charity, approving major developments and monitoring the work of its committees, advisory groups, the managers and its subsidiary companies.

In addition to the boards of the subsidiary companies, Hospice Projects Ltd and Severn Promotions Company Ltd, there are six formally constituted committees:

- Finance
- Retail
- Clinical Governance
- Corporate Governance & Human Resources
- Fundraising
- Nominations, Trustee Development & Remuneration

and two formally constituted sub-committees:

- Property & Estates Strategy Group
- Health and Safety Committee

Each committee is chaired by a Trustee and has its major decisions ratified by the full Board. The Finance Committee also acts as an audit committee. All committees operate under specific terms of reference which delegate certain functions from the Board. There is a clear delegated authority framework in place which defines how decisions are ratified by

Board, committees and management. Various management working groups such as Clinical Audit report into the appropriate formal sub-committees.

The charity subscribes to the Fundraising Regulator and will receive and act on notifications regarding the Fundraising Preference Service. The Fundraising Committee ensures compliance with Charity Commission guidelines and the Fundraising Regulators Code of Practice (CC20), including a comprehensive risk management framework about income generation. The Charity has always recognised the importance of maintaining a high level of public trust through responsible fundraising and has actively recruited suitable expert representation at all levels. It benefits from having a Trustee Board member with senior fundraising experience.

The Fundraising Committee has principal responsibilities to:

- Assure a range of fundraising activity that is appropriate, has due regard for the reputation of the Hospice, meets voluntary income needs and includes donations, legacies, in memoriam, events, collections, corporate donations and website promotion.
- Ensure that the Executive is performing efficiently, in accordance with legal and other relevant requirements.
- Agree the fundraising strategy.

In order to fulfil these responsibilities, the Fundraising Committee:

- Ensures that appropriate policies and processes are in place, and that reporting on these and any changes or developments are in place.
- Maintains a strategic approach in the development of existing and new income streams and monitors actions to achieve these.
- Receives performance information on finance, activity and efficiency.

- Considers any proposals or changes that require formal approval in line with delegated authorities.

There were 10 formal fundraising complaints during 2023/24, 8 relating to the retail operation and 2 relating to lottery. 5 were upheld, 5 not upheld or no further action required. Of the 5 upheld complaints, all related to staff and volunteer conduct and each were investigated and dealt with on an individual basis, one member of staff was stood down and the other instances revealed training needs that have been addressed.

The charity has not engaged any professional fundraising or external fundraising agents in the year, although Severn Promotions Limited uses the services of a canvassing company for recruiting lottery members.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A strategic plan and an annual budget approved by the Trustees.
- Regular consideration by the Trustees of financial results, variance from budgets, non-financial performance indicators and internal audit.

Trustees are appointed to provide specific skills required by the Board as determined by Trustee annual reviews and the Nominations, Trustee Development & Remuneration Committee. Applications are considered by the Nominations, Trustee Development & Remuneration Committee who undertake formal interviews of suitable candidates and carry out background checks. Formal induction is then arranged for successful candidates in conjunction with the Chair, Chief Executive and members of the senior management team. Trustees are required to undertake certain aspects of mandatory training and encouraged to attend other ongoing training. This includes safeguarding, data protection and diversity training.

Strategic plans and operating budgets are considered and approved by the Board of Trustees. These set the context and limits on management decision making at the operational level. The Board and its committees review compliance and performance in respect of these plans and budgets on a programmed basis.

Pay and remuneration of the senior management team is reviewed by the Nominations, Trustee Development & Remuneration Committee, a formal committee of the Board, after considering benchmark information based on data for medium sized midland based organisations and the NHS Agenda for Change pay scale as appropriate. Pay recommendations are put to the Board for approval.

Stakeholders and Employees

The Trustees set out to define discrete stakeholder groups and recognise that in many cases they have complementary interests and shared priorities. Stakeholders identified include patients receiving palliative care, their families, donors, staff, volunteers, the Integrated Commissioning Board, local communities, contractors and suppliers.

There is a strategy in place for regular and effective communication with these stakeholders about the charity's purposes, values, work and achievements. Examples of this includes communication methods such as the Yearbook and information leaflets.

The Trustees communicate how the charity is governed and who they are through the Severn Hospice website and the Trustee Annual Report. The Trustees ensure that stakeholders have an opportunity to hold the Board to account through agreed processes and routes such as patient feedback questionnaires, complaints procedures and employee satisfaction surveys.

The Trustees also make sure that there is suitable consultation with stakeholders about significant changes to the charity's services or policies. Staff forums are an example of this.

The charity is committed to the principle of equal opportunities of employment and recognises its obligations under the Equality Act 2010. The charity declares its opposition to any form of less favourable treatment whether through direct or indirect, associated or perceived discrimination accorded to charity staff or job applicants on the grounds of their race/nationality or ethnic origin, disability, sex, age, sexual orientation or gender reassignment, marital and civil partnership status, pregnancy and maternity, religion or belief (otherwise known as protected characteristics as defined by the Equality Act 2010), including human rights.

The charity is committed to creating a positive culture of respect for all its staff and to promote positive practice and to value the diversity of all individuals and communities. It embraces and recognises the importance of diversity, and that different people bring different perspectives, ideas, knowledge and culture.

Continued attention is paid to the health and safety of employees while at work.

Employee views are sought at team meetings, staff forums, and through staff surveys.

Memberships

To assist in its decision making and ensure current and best practice is always followed, the charity is an active participant in the membership of several not-for-profit organisations. These include:

- Hospice UK
- Health and Care Professions Council
- ICS End of Life Clinical Group
- Institute of Fundraising
- Charity Retail Association
- Hospice Lottery Association
- Gambling Commission
- Charity Finance Group

Energy audit

The charity is required to submit Energy Saving Opportunities Reports under the Environment Agency ESOS scheme which takes place every three years. The charity engages an independent firm of consultants to undertake the work and to demonstrate compliance. In September 2021 Phase 2 compliance was submitted and we have recently undertaken our Phase 3 compliance which covered the period 2022.

The table below summarises this period and our annual consumption of gas, electricity and transport to 31st December 2023, to allow for comparability. The results show a small reduction in gas and electricity and significant reduction in transport as a result of disbanding the transport department. LED lights have now also been fully installed across all Hospice sites and retail shops. In terms of total carbon dioxide emissions for the charity the year to December 2023 emissions are down 13% on 2022

Energy	To Dec 2022 ESOS Phase 3	To Dec 2023	Change	Note
Gas MWh	1616	1492	-8%	Milder winter
Electricity MWh	906	864	-5%	Bicton C.S building 100% electric
Transport MWh	862	129	-85%	Transport dept closed
Tonnes CO ₂	580	503	-13%	

Under the Streamlined Energy and Carbon Reporting (SECR) 2018 Regulations the charity is required to report their environmental impact. The guidelines of SECR allow us to choose boundaries, metrics, and targets when reporting and we have therefore chosen to use ESOS data to assess last year's emissions against the current financial year using UK Government GHG Conversion Factors for Company Reporting 2023.

	2022	Year to Dec 2023
Emissions from Combustion of Gas in tCO ₂ e (Scope 1)	327	298
Emissions from Purchased Electricity in tCO ₂ e (Scope 2)	175	173
Emissions from Combustion of Transport Fuel in tCO ₂ e (Scope 3)	93	32
Total gross Scope 1, 2 & 3 emissions / tCO ₂ e	595	503
Energy consumption used to calculate above emissions kWh	3,384,000	2,485,000
Charity Spend £	9,568,000	10,632,000
Intensity ratio: £k per tCO ₂ e (Scope 1,2&3)	16	21

Energy Efficiency Action

In the period covered by the report the Hospice has improved lighting, heating and hot water building services which is expected to result in energy consumption savings of around 15% over 3 years to 2025.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

In so far as we are aware:

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

aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Directors' Interests

As the company is limited by guarantee, the Directors do not hold any shares.

A register of all Directors' interests is kept at the Hospice's headquarters and declarations of general or related interests are made before commencing each formal meeting of the Directors.

Reference & Administrative Details

Name & Address

The full name of the charity is Severn Hospice Limited. It is a company limited by guarantee, No. 01608025. It is registered with the Charity Commission of England & Wales, No. 512394. The address of the registered office is Bicton Heath, Shrewsbury, SY3 8HS.

Governing Document

This is the Articles of Association adopted by Special Resolution on 26 September 2013 and altered by Special Resolutions on 29 September 2016, 10 December 2020, 30 September 2021 and 29 September 2022.

Group Accounts

The group accounts within these financial statements include the results of Severn Hospice Limited, the Charity, and the results of its wholly owned subsidiary companies, Severn Promotions Company Limited which operates a fund-raising lottery and Hospice Projects Limited which trades in new goods and undertakes other commercial activities. Both companies donate their profits to the Charity.

President

Sir Algeron Heber-Percy

Board of Trustees

The current Trustees, and those who held office during the financial year to 31 March 2024 and subsequently, are listed below, together with their committee membership (see key).

Mr N Bathurst (appointed 7.9.23)	(1,6)
Mrs J Beard (resigned 28.9.23)	(3,4,6)
Mr S Bleakley	(8, 5)
Ms J Casey (appointed 13.11.23)	(8) (9)
Mr A Clarkson	(3,6)
Mr P Coackley	(1,4,5)
Mrs N Crosby (appointed 28.9.23)	(3)
Mr P Donohue (resigned 28.9.23)	(1,6)
Ms K Downton (appointed 7.9.23)	(4,5)
Dr A Fraser	(2,4,5)
Mr P Gold	(1,6)
Mrs A Johnson (resigned 19.5.23)	(5)
Dr D Northern (appointed 25.5.23)	(2)
Mr D Robinson (appointed 13.11.23)	(2)
Dr D Ryan (resigned 28.9.23)	(2,4)
Prof. D Towse	(2,7)
Mr J Wardle	(1,3,7)
Mrs J Whitford (Chair)	(1,4,5)

Key to Committee Membership: (1) Finance; (2) Clinical Governance; (3) Retail; (4) Nominations, Trustee Development & Remuneration; (5) Corporate Governance & Human Resources; (6) Fundraising; (7) Property & Estates Sub-Committee; (8) Health & Safety Sub-Committee; (9) Communications Sub-Committee

Senior Management Team (Key Management Personnel)

Chief Executive
Mrs H Tudor

Director of Care
Mrs R Richardson

Director of Finance & Information & Estates
Miss K Davies

Director of Income Generation
Miss T Harrison

Medical Director
Professor D Willis

Vice Presidents

Miss S Astbury	Mrs J Jenkinson
Mr M Davis	Mrs H McPhail
Dr D Griffiths	Mr J Tancock

Bankers

Santander, Bridle Road, Bootle, Merseyside, L30 4GB

National Westminster Bank PLC, 8 Mardol Head, Shrewsbury.

Solicitors

Lanyon Bowdler LLP, Chapter House North, Abbey Lawn, Abbey Foregate, Shrewsbury, SY2 5DE.

Bates Wells LLP
10 Queen Street Place
London, EC4R 1BE

Investment Managers

Evelyn Partners Investment Management LLP, 103 Colmore Row, Birmingham, B3 3AG.

Brewin Dolphin Limited, Mutual House, Sitka Drive, Shrewsbury Business Park, Shrewsbury SY2 6LG.

Auditors

Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG.

Membership of the Company

A Member may be an individual or a body corporate. Applications for Membership are determined by the Board of Directors.

Appointment of Trustees

The Board of Trustees shall consist of not less than three or more than 20 Members of the company. It may appoint any Member of the company as a Trustee either to fill a casual vacancy or by way of addition to the Board of Trustees, provided that the prescribed maximum be not thereby exceeded. Any member so appointed shall retain office only until the next Annual General Meeting but he or she shall then be eligible for re-election in accordance with the Governing Document. In

line with best practice, all trustees will serve a maximum of nine years in office.

The Board hold five formal Board meetings each year plus an Annual General Meeting to which Hospice members are also invited.

Severn Hospice seeks to ensure that an appropriate range of professional skills are maintained at Board level to fulfil both the governance and business requirements of the Hospice. New Trustees are appointed following regular analysis of skill requirements and sympathy to the charity's principles undertaken by the Nominations, Trustee Development & Remuneration Committee, a formal committee of the Board. Prospective Trustees may apply to the Hospice or may be identified by the Board, and they are interviewed by the Nominations, Trustee Development & Remuneration Committee which then makes its recommendations to the Board. New Trustees are prepared for their role through supply of key documents and through a formal process of induction during which they meet key staff and sit as observers

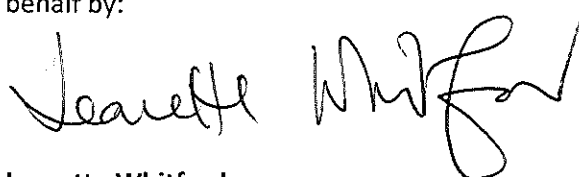
at meetings at the Hospice. Ongoing training is provided on an ad hoc basis through external and in-house training programmes.

Reappointment of Auditor

A proposal to re-appoint Haysmacintyre LLP as auditor for the forthcoming year will be put forward at the Annual General Meeting.

In approving this Trustees Annual Report, the Trustees are also approving the Strategic Report included here in their capacity as Company Directors.

This report was approved by the Board of Trustees on 1 August 2024 and signed on its behalf by:



Jeanette Whitford
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SEVERN HOSPICE LIMITED

Opinion

We have audited the financial statements of Severn Hospice Limited for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31st March 2024 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group'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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company, 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 13, 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit

conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with regulatory requirements of the Care Quality Commission, Charity Commission, employment law and health and safety regulations, and 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 the Companies Act 2006, the Charities Act 2011, payroll taxes and VAT.

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 were related to recognition of income and management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting trustees' meeting minutes
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.


Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that

compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Lee Stokes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

19 August 2024

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income & Expenditure Account)
For the Year Ended 31 March 2024

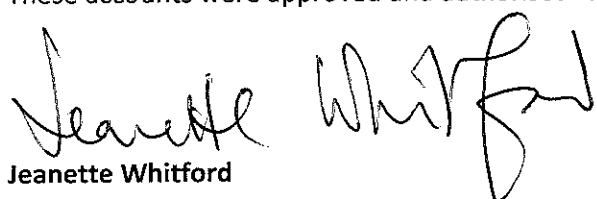
		Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	Total Funds 2024 £000	Total Funds 2023 £000
Income From:	Note				
Donations and legacies:					
Donations		1,279	125	1,404	1,494
Legacies		1,847	430	2,277	2,170
Grants from Charitable Trusts		86	133	219	124
		3,212	688	3900	3,788
Charitable Activities	4a	3,523	517	4,040	3,885
Other trading activities:					
Lottery	5a	1192	-	1192	1,190
Projects	5b	440	-	440	420
Shops	5c	4,345	-	4,345	4,111
Fundraising events	5d	267	-	267	302
		6,244	-	6,244	6,023
Investments	6	450	-	450	305
Other	7	78	-	78	95
Total Income		13,507	1,205	14,712	14,096
Expenditure on:					
Raising Donations, Legacies and Grants	9	1,016	-	1,016	812
Other trading activities:					
Lottery	5a,9	405	-	405	464
Projects	5b,9	360	-	360	340
Shops	5c,9	2,796	-	2,796	2,531
Fundraising events	5d,9	62	-	62	52
Investment management costs		59	-	59	47
Costs of raising funds		4,698	-	4,698	4,246
In patient care	9	4,694	537	5,231	4,863
Day care	9	1,456	19	1,475	1,421
Hospice at home	9	2,208	289	2,497	2,426
Education and research	9	191	141	332	341
Hospital services	9	-	-	-	44
Lymphoedema	9	143	-	143	134
Social Work & Chaplaincy	9	336	-	336	339
Expenditure on charitable activities		9,028	986	10,014	9,568
Total expenditure		13,726	986	14,712	13,814
Net income for the year and net movements in funds before (losses)/ gains on investments		(219)	219	-	282
Net gains/ (losses) on investments		471	-	471	(685)
Net surplus/ (deficit) for the year		252	219	471	(403)
Transfers between funds	15, 16	65	(65)	-	-
Net movement in funds		317	154	471	(403)
Reconciliation of funds:					
Total funds brought forward		27,019	163	27,182	27,585
Total funds carried forward		27,336	317	27,653	27,182

CONSOLIDATED AND CHARITY BALANCE SHEET
As at 31 March 2024

		Group		Charity	
	Note	2024	2023	2024	2023
		£000	£000	£000	£000
Fixed Assets					
Tangible assets	10	12,548	12,199	12,548	12,199
Investments	11	8,380	7,976	8,430	8,026
		<u>20,928</u>	<u>20,175</u>	<u>20,978</u>	<u>20,225</u>
Current Assets					
Stock	12	18	11	-	-
Debtors	13	1,877	2,048	2,073	2,227
Investment property for sale		230	-	230	-
Cash at bank & in hand		5,751	6,077	5,297	5,626
		<u>7,876</u>	<u>8,136</u>	<u>7,600</u>	<u>7,853</u>
Creditors: amounts falling due within one year	14	(1,151)	(1,129)	(942)	(913)
Net current assets		<u>6,725</u>	<u>7,007</u>	<u>6,658</u>	<u>6,940</u>
Total assets less current liabilities/ Net assets		<u>27,653</u>	<u>27,182</u>	<u>27,636</u>	<u>27,165</u>
The funds of the charity:					
Restricted funds	15	317	163	317	163
Unrestricted funds:					
Designated funds	16	14,548	15,042	14,548	15,042
General funds	16	12,788	11,977	12,771	11,960
Total funds		<u>27,653</u>	<u>27,182</u>	<u>27,636</u>	<u>27,165</u>

The net result of the charity's own accounts for 2023/24 was a surplus of £471K (2022/23: deficit of £403K).

These accounts were approved and authorised for issue by the Board of Trustees on 1 August 2024.



Jeanette Whitford
Chair
Severn Hospice Limited
Registered No. 1608025

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2024

	Note	2024	2023
		£000	£000
Cash flows from operating activities:			
Net cash provided by operating activities	23	<u>355</u>	<u>(39)</u>
Cash flows from investing activities:			
Dividends and interest from			
Investments		450	305
Purchase of property, plant and equipment		(968)	(621)
Proceeds from sale of investments		1,104	1,122
Purchase of investments		(1,354)	(1,434)
Decrease/(increase) in investment cash		<u>87</u>	<u>146</u>
Net cash used in investing activities		<u>(681)</u>	<u>(482)</u>
Change in cash and cash equivalents in the reporting period		<u>(326)</u>	<u>(521)</u>
Cash and cash equivalents at the beginning of the reporting period		6,077	6,598
Cash and cash equivalents at the end of the reporting period		<u>5,751</u>	<u>6,077</u>

Notes to the Accounts
Year ended 31 March 2024

1. Accounting Policies

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

(a) Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective January 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements are prepared under the historical cost convention with the exception of fixed asset investments, which are included at market value.

(b) Going Concern

The Trustees consider that there are no material uncertainties about the Hospice's ability to continue as a going concern. The most significant area of uncertainty is the level of income which needs to be raised every year and is covered in more detail in the performance and risk sections of the Trustees' report. Since Covid, UK and global factors have emerged that can directly and indirectly impact the Hospice such as changes to fiscal and monetary policy, the Ukraine war, government elections and high inflation. However, the review of the Hospice's financial position, reserves levels and future plans gives Trustees confidence that it remains a going concern for the foreseeable future.

(c) Basis of Consolidation

The statement of financial activities ("the SOFA") and balance sheet consolidate the financial statements of the charitable company and its subsidiary companies, Hospice Projects Limited and Severn Promotions Limited, for the financial year ended 31 March 2024. The results of the subsidiary companies are consolidated on a line-by-line basis. No separate Statement of Financial Activities is

presented for the charity alone as permitted by the Companies Act 2006 and the Statement of Recommended Practice for Charities.

(d) Estimation Uncertainty and Judgements

In the application of the accounting policies, Trustees are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

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

(e) Income

The Hospice recognises income when all the following criteria are met it has entitlement to the funds and any conditions attached to the items of income have been met; it is probable that the income will be received; and an economic benefit can be reasonably measured. This is applied as follows to these streams of income:

Donations are included in income when they are received.

Both pecuniary and residuary *Legacies* are recognised at the earlier of the date the Hospice is informed that probate has been granted or the date we are advised, in writing, by the representative of the estate that payment will be made, or assets transferred, and when, in the opinion of management, the amount can be quantified with reasonable accuracy e.g., using draft estate accounts, and will probably be received. The hospice operates a cut-off window being a practical mechanism to allow for preparation of the accounts. Should a

notification be received before the year end but is not quantifiable within six weeks of the year end then, when measurable and receipt is probable, it will be recognised in subsequent accounting periods. The exception to the six-week window is if the amount is material, then in this case, if the recognition criteria are met before the accounts are signed then it will be recognised within the current accounting period. Where a notification is received within the six-week window and is dated before the year end and is measurable and receipt probable, then this will also be recognised within the current accounting period.

Grants received from health authorities and other bodies are recognised when the Hospice has entitlement to the funds, any conditions around the grant have been met, and in the year to which it relates.

Lottery income is recognised in respect of those draws which have taken place in the year.

Other Trading income is recognised on the point of sale for both donated and new goods and at point of collection for fundraising events.

(f) Expenditure

Expenditure is accounted for on an accruals basis once there is an obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Where possible costs are allocated directly to main expenditure categories of the SOFA, but where this is not possible these are allocated on the bases set out in the note to the accounts. Expenditure is classified under the following headings:

Costs of Raising Funds comprise direct fundraising costs incurred in seeking donations, legacies and grants from trusts, together with direct costs associated with trading income together with an allocation of indirect support costs.

Expenditure on charitable activities includes the direct costs of providing specialist palliative care and support community services, research and other educational activities undertaken to further the purposes of the charity, together with an allocation of indirect support costs.

Support costs are those costs which are necessary to the delivery of Hospice services

but are not part of the direct costs of the expenditure categories in the SOFA. These relate to governance, premises, catering, central administration, finance, IT and HR and Vehicles.

(g) Operating Leases

Rental costs under operating leases are charged to the SOFA over the period of the lease.

A review of new leases entered this year was undertaken and an adjustment has been made for lease incentives to be accounted for over the full term of the lease.

(h) Fund Accounting

The Hospice maintains various types of funds as follows:

Restricted Funds: these are funds subject to specific conditions laid down by the donor or fundraiser. The restriction is released once conditions relating to these have been met, and funds then become unrestricted.

Unrestricted Funds: these fall into two categories: designated funds and general funds.

Designated funds represent amounts which have been put aside for particular projects. The designation does not legally restrict the Trustees' discretion to apply these funds. The Hospice has the following designated funds:

Capital Projects Fund: funds set aside for future capital works.

Fixed Asset Fund: represents expenditure on fixed assets that has not been charged to the Statement of financial Activities as depreciation. A large part of this represents the three buildings which the Hospice cannot operate without and which cannot therefore be realised in the normal way of business.

General funds: funds that are expendable at the discretion of the Trustees in the furtherance of the objects of the Charity. Such funds may be held in order to finance both working capital and capital investment. These also include amounts to be retained by the Hospice's Funds Policy.

(i) Tangible Fixed Assets

Freehold properties are stated in the Balance Sheet at the cost or value at the date of receipt, less depreciation.

Tangible fixed assets are stated at cost less depreciation. Any expenditure on individual assets with a value below £3,000 is written off directly to revenue. Depreciation is provided in equal instalments over the estimated lives of the assets.

The useful lives assigned to assets are:

Freehold property	50 years
Leasehold premises	5 to 10 years
Furnishings & equipment	4 to 7 years
Motor vehicles	3 to 4 years

(j) Investments

Investments include listed investments, investments in group undertakings, and an investment property.

Listed investments are a form of basic financial instrument and are initially shown in the financial statements at market value. They are subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Net gains and losses on the Statement of Financial Activities represent realised and unrealised gains on investments. Realised gains or losses are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains or losses are calculated as the difference between the fair value at the year-end and their carrying value.

Investments in group undertakings are the shares of the subsidiary companies which are carried at cost.

Investment property is a property received as part of a legacy in 2009. It is currently up for sale and recognised as a current asset.

(k) Stocks

Stocks, which comprise goods for resale, are stated at the lower of cost and net realisable value.

(l) Goods Donated for Resale

Donated items of goods for resale are not included in the financial statements because the Trustees consider it impractical to be able to assess the amount of donated stocks. This is because there are no systems in place to record these goods until they are sold. A stocktake would incur costs to the Charity which would far outweigh the benefits.

(m) Debtors

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

Property Investments that are expected to be disposed of within a financial year are shown as a current asset.

(n) Cash at Bank and in Hand

Cash at bank and in hand includes cash and short term highly liquid investments held within current and deposit accounts.

(o) Creditors and Provisions

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

(p) Volunteers

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

(q) Support Groups

There were 9 official active Support Groups operating bank accounts in the name of the Hospice at 31 March 2024. The majority of these prepare accounts to 31 March. Fundraising income includes gross income raised by these groups, and the expenses they incur are included within fundraising costs.

(r) Pension Costs

The majority of staff are members of either the National Health Service Pension Scheme (“the NHS scheme”) or defined contribution schemes operated by the Charity. Contributions are made by both employees and employer. Although the NHS scheme is a defined benefit scheme, the nature of the scheme is such that the Charity cannot identify its share of the scheme’s underlying assets and liabilities. In accordance with FRS102, payments to the NHS scheme have been treated in the same way as contributions to the defined contribution schemes and the payments made by the Charity are charged against the profits of the year in which they become payable.

(s) Financial Instruments

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

2 Company Status and Members’ Liability

The Charity is a private company limited by guarantee and does not have share capital. The extent of the liability of the members to the Charity on a winding up is limited to a maximum of £1 each.

3 Taxation

The company is said to pass the tests carried out in paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income and capital gains received within categories covered by Chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively for charitable purposes. No tax charges have arisen in the year.

No tax charge has arisen in the trading subsidiaries, Severn Promotions Limited and Hospice Projects Ltd due to their policy of gifting all their taxable profits to Severn Hospice Limited.

4 Charitable Activities	2024	2023
	£000	£000
NHS income	3,955	3,826
Education income	85	59
	<u>4,040</u>	<u>3,885</u>

5a Lottery

Severn Promotions Company Limited, a wholly owned trading subsidiary company incorporated in England/Wales, Company number 2973920, operates raffles and a weekly lottery. A summary of its provisional trading results is given below and reflects its trading activities for the year ended 31 March 2024.

	2024	2023
	£000	£000
Lottery income	1,192	1,190
Donations	33	35
Investment income	12	5
Total income	<u>1,237</u>	<u>1,230</u>
Prizes awarded	(146)	(149)
Staff costs	(108)	(105)
Other costs	(151)	(210)
Total expenditure	<u>(405)</u>	<u>(464)</u>
Net lottery income	832	766
Gift Aid payments to Severn Hospice Limited	(832)	(766)
Retained in subsidiary	<u>-</u>	<u>-</u>
Total assets	300	285
Total liabilities	(294)	(279)
Funds (representing share capital and reserves)	<u>6</u>	<u>6</u>

5b Hospice Projects Limited

This is a wholly owned trading subsidiary company incorporated in England/Wales, Company number 2229635. All new goods are sold through this company via the Hospice shops or website. A house clearance service also operates through the company. A summary of its provisional trading results is given below and reflects its trading activities for the year ended 31 March 2024.

	2024	2023
	£000	£000
Projects income	440	420
Donations	4	2
Interest	7	2
Total income	<u>451</u>	<u>424</u>
Cost of goods sold	(296)	(286)
Operating costs	(64)	(54)
Total expenditure	<u>(360)</u>	<u>(340)</u>
Net trading profit	91	84
Gift Aid payments to Severn Hospice Limited- provisional amount due for year	(91)	(84)
Retained in subsidiary	<u>-</u>	<u>-</u>
Total assets	185	187
Total liabilities	(124)	(126)
Funds (representing share capital and reserves)	<u>61</u>	<u>61</u>

5c Hospice Shops

This is the trading arm of Severn Hospice Limited – it is not a separate trading subsidiary company.

	2024	2023
	£000	£000
Non gift –aided donated goods income	2,203	2,126
Gift-aided donated goods income	1,528	1,442
Gift Aid on donated goods income	379	342
Rag income	112	122
Donations	49	36
Other income	74	43
Total income	<u>4,345</u>	<u>4,111</u>
Staff Costs	(1,633)	(1,456)
Premises maintenance and rent	(546)	(509)
Other costs	(617)	(566)
Total expenditure	<u>(2,796)</u>	<u>(2,531)</u>
Net shops income	<u>1,549</u>	<u>1,580</u>

5d Fundraising Events

Income and direct expenditure from the top fundraising events in 2023/24, together with comparatives for 2022/23, is as follows:

	2024			2023		
	Income £000	Expenditure £000	Net Income £	Income £	Expenditure £	Net Income £
Dragons	80	(26)	54	67	(26)	41
Lights of Love Annual	50	(17)	33	57	(10)	47
London Marathon	68	(4)	64	72	(4)	68
	<u>198</u>	<u>(47)</u>	<u>151</u>	<u>196</u>	<u>(40)</u>	<u>156</u>

The income and expenditure for certain events can straddle the financial year end causing fluctuations from year to year in the net income position.

6	Investment Income	2024 £000	2023 £000
	Dividends receivable on shares held	209	207
	Interest receivable on cash balances	241	98
		<u>450</u>	<u>305</u>

7	Other Income	2024 £000	2023 £000
	Miscellaneous items of income received for catering, insurance receipts, property rental, wayleaves etc.	78	95

8 Staff Costs & Pensions (Group)

	2024	2023
	£000	£000
Salaries	8,645	8,045
Social security costs	739	691
Pension costs	527	495
Redundancy and Settlement Agreement costs	13	7
	<u>9,924</u>	<u>9,238</u>

(Note 1(r) and Note 20 give further information on the pension schemes).

Pension costs typically increase as a result of a combination of salary increases, and statutory employer contribution rate rises for both the NHS and auto enrolment schemes.

The Charity Trustees received no remuneration or any other benefits from employment or reimbursed expenses with the Hospice or its subsidiaries in the year (2023: £nil). A note on related party transactions is given at note 21.

The average monthly headcount and full-time equivalent during the year is:

	2024		2023	
	Headcount	FTE	Headcount	FTE
Admin	37	27	33	21
Income Generation	35	20	30	16
Care	290	168	299	168
Shops	106	65	94	56
	<u>468</u>	<u>280</u>	<u>456</u>	<u>261</u>

The number of employees whose emoluments for the year were greater than £60,000 were as follows:

	2024	2023
£60,000 to £70,000	2	2
£70,000 to £80,000	2	3
£80,000 to £90,000	1	-
£90,000 to £100,000	-	1
£120,000 to £130,000	1	-
	<u>6</u>	<u>6</u>

Pension contributions relating to those staff earning over £60,000	£51,565	£45,245
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For the key employed and seconded management personnel, also comprising the Senior Management Team as set out on page 14, the total employee benefits were £617K (2023: £555K).

9 Total Expenditure (Group) 2024

	Direct Costs £000	Support Costs £000	Total 2024 £000	Total 2023 £000
Charitable Activities:				
In Patient Care	3,521	1,710	5,231	4,863
Day Care	797	678	1,475	1,421
Hospice at Home	2,054	443	2,497	2,426
Education & Research	136	196	332	341
Hospital Services	-	-	-	44
Lymphoedema	105	38	143	134
Social Work & Chaplaincy	271	65	336	339
Costs of Raising Funds:				
Donations, Legacies and Grants	539	477	1,016	812
Other trading activities:				
Hospice Shops	2,693	103	2,796	2,531
Lottery	385	20	405	464
Projects	341	19	360	340
Fundraising Events	62	-	62	52
Investment Management	59	-	59	47
Total Expenditure	10,963	3,749	14,712	13,814

Support costs include:	Basis of Allocation	£000	£000
Premises & Catering	Floor area, estimated time, and cost	1,941	1,806
Central Services	Estimated time	921	770
Finance	Estimated time	305	255
IT Support	Workstations and estimated time	469	348
Vehicles	Estimated time & specific costings	18	17
Governance	Estimated time & costings	95	96
		3,749	3,292

Included within group expenditure are:

Amounts paid or payable to Auditors:			
External annual audit of accounts		22	22
Other fees payable to the Auditors		3	1
Depreciation		619	573
Lease payments		461	424

9 Total Expenditure (Group) 2023

	Direct Costs £000	Support Costs £000	Total 2023 £000	Total 2022 £000
Charitable Activities:				
In Patient Care	3,344	1,519	4,863	4,600
Day Care	810	611	1,421	1,189
Hospice at Home	2,058	368	2,426	2,327
Education & Research	164	177	341	274
Hospital Services	44	-	44	109
Lymphoedema	102	32	134	128
Social Work & Chaplaincy	283	56	339	311
Costs of Raising Funds:				
Donations, Legacies and Grants	401	411	812	705
Other trading activities				
Hospice Shops	2,450	81	2,531	2,408
Lottery	439	25	464	428
Projects	328	12	340	304
Fundraising Events	52	-	52	18
Investment Management	47	-	47	50
Total Expenditure	10,522	3,292	13,814	12,851

10 Fixed Assets

Charity	Freehold Property £000	Furnishings & Equipment £000	Vehicles £000	Total £000
Cost				
At 1 April 2023	15,298	3,523	141	18,962
Additions	376	594	-	970
Disposals	-	(2)	(28)	(30)
At 31 March 2024	15,674	4,115	113	19,902
Depreciation				
At 1 April 2023	3,731	2,923	109	6,763
Charge for year	309	299	11	619
Disposals	-	-	(28)	(28)
At 31 March 2024	4,040	3,222	92	7,354
Net Book Value				
At 1 April 2023	11,567	600	32	12,199
At 31 March 2024	11,634	893	21	12,548
Group				
Cost				
At 1 April 2023	15,298	3,544	141	18,983
Additions	376	594	-	970
Disposals	-	(10)	(28)	(38)
At 31 March 2024	15,674	4,128	113	19,915
Depreciation				
At 1 April 2023	3,731	2,944	109	6,784
Charge for year	309	299	11	619
Disposals	-	(8)	(28)	(36)
At 31 March 2024	4,040	3,235	92	7,367
Net Book Value				
At 1 April 2023	11,567	600	32	12,199
At 31 March 2024	11,634	893	21	12,548

11 Investments

	The Group		The Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Listed UK Stock Exchange Investments	8,380	7,736	8,380	7,736
Shares in subsidiary companies	-	-	50	50
Investment Property	-	240	-	240
	<u>8,380</u>	<u>7,976</u>	<u>8,430</u>	<u>8,026</u>

The investment property has been transferred to current assets on the basis it is due to be sold in the next 12 months. It was revalued on 31st March 2024 at fair value by Zaza Johnson and Bath Estate Agents.

	Group and Charity	
	2024 £000	2023 £000
(a) Listed UK Stock Exchange Investments		
Market Value 1 April 2023	7,531	7,959
Disposals	(1,104)	(1,122)
Acquisitions	1,354	1,434
Realised gains	57	78
Unrealised gain/(losses)	424	(818)
Market value at 31 March 2024	<u>8,262</u>	<u>7,531</u>
Cash held for investment	118	205
	<u>8,380</u>	<u>7,736</u>

(b) Analysis of Listed/Discretionary Fund Investments

	2024 £000	2023 £000
Discretionary Fund managed by Evelyn Partners	4,240	3,852
Discretionary Fund managed by Brewin Dolphin	4,140	3,884
	<u>8,380</u>	<u>7,736</u>

	Charity	
	2024 £000	2023 £000
(c) Shares in subsidiary companies at cost		
Hospice Projects Limited	50	50
Severn Promotions Company Limited	-	-
	<u>50</u>	<u>50</u>

12 Stocks

	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Goods purchased for resale through Hospice Projects Limited	18	11	-	-
	<u>18</u>	<u>11</u>	<u>-</u>	<u>-</u>

13 Debtors

	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade debtors	86	51	83	51
Sundry debtors	55	12	55	12
Amounts due from subsidiary undertakings	-	-	199	179
Legacies	1,333	1,466	1,333	1,466
Prepayments	223	302	223	302
Gift aid recoverable	44	19	44	19
VAT recoverable	136	198	136	198
	<u>1,877</u>	<u>2,048</u>	<u>2,073</u>	<u>2,227</u>

14 Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade creditors	334	339	309	317
Taxation & social security costs	172	150	172	150
Accruals	329	317	329	309
Amounts due to subsidiary undertakings	-	-	10	9
Deferred income	4	14	4	14
Other creditors	312	309	118	114
	<u>1,151</u>	<u>1,129</u>	<u>942</u>	<u>913</u>

Creditors: Deferred Income

	Amounts Falling Due Within One Year				
	Balance b/fwd 1.4.23 £000	Released £000	New Deferred £000	Balance c/fwd 31.3.24 £000	Greater Than One Year Balance c/fwd 31.3.24 £000
Events income	1	(1)	-	-	-
Men's Health project	1	-	-	1	-
Compassionate Communities fund	9	(9)	-	-	-
Hospital Development Fund	3	-	-	3	-
	<u>14</u>	<u>(10)</u>	<u>-</u>	<u>4</u>	<u>-</u>

15 Restricted Funds

The Group and Charity Funds for 2023-24 include restricted funds made up of the following unspent balances of donations and grants given for specific purposes.

	Balance at 1.4.23 £000	Income £000	Expenditure £000	Transfer to General Funds £000	Balance at 31.3.24 £000
Donations received for In Patient Care and Bereavement	7	316	(140)	(65)	118
Donations received for the Day Units	-	7	(7)	-	-
Donations received for Care at Home Services	-	311	(211)	-	100
CCG funding for specifically negotiated services	156	517	(574)	-	99
Hospice Garden	-	54	(54)	-	-
	<u>163</u>	<u>1,205</u>	<u>(986)</u>	<u>(65)</u>	<u>317</u>

The transfer to general funds of £65K represents the release of funds for the purchase of assets because the restriction placed on the funding has been met in the year.

The Group and Charity Funds for 2022-23 include restricted funds made up of the following unspent balances of donations and grants given for specific purposes.

	Balance at 1.4.22 £000	Income £000	Expenditure £000	Transfer to General Funds £000	Balance at 31.3.23 £000
Donations received for In Patient Care and Bereavement	119	226	(203)	(135)	7
Donations received for the Day Units	-	50	(50)	-	-
Donations received for Care at Home Services	-	137	(137)	-	-
CCG funding for specifically negotiated services	162	425	(431)	-	156
Hospice Garden	-	8	(8)	-	-
	<u>281</u>	<u>846</u>	<u>(829)</u>	<u>(135)</u>	<u>163</u>

16 Unrestricted Funds

The Group and Charity Funds for **2023-24** include the following designated and general funds:

	Balance at 1.4.23 £	New Designations £	Utilised/ Released £	Resources To/From Other Funds £	Balance at 31.3.24 £
Group:					
Designated Funds:					
Capital Projects Fund	2,843	-	(843)	-	2,000
Fixed Asset Fund	12,199	969	(620)	-	12,548
Total Designated Funds	15,042	969	(1,463)	-	14,548
Group General Funds	11,977	13,008	(12,262)	65	12,788
Total Group Unrestricted	27,019	13,977	(13,725)	65	27,336
Charity:					
Total Designated Funds	15,042	969	(1,463)	-	14,548
Charity General Funds	11,960	12,243	(11,497)	65	12,771
Total Charity Unrestricted	27,002	13,212	(12,960)	65	27,319

The Group and Charity Funds for **2022/23** include the following designated and general funds:

	Balance at 1.4.22 £	New Designations £	Utilised/ Released £	Resources To/From Other Funds £	Balance at 31.3.23 £
Group:					
Designated Funds:					
Capital Projects Fund	2,500	-	(186)	529	2,843
Fixed Asset Fund	12,151	621	(573)	-	12,199
Energy Sustainability Fund	145	-	-	(145)	-
Service Development Fund	417	-	(33)	(384)	-
Total Designated Funds	15,213	621	(792)	-	15,042
Group General Funds	12,091	11,943	(12,193)	135	11,977
Total Group Unrestricted	27,304	12,565	(12,985)	135	27,019
Charity:					
Total Designated Funds	15,213	621	(792)	-	15,042
Charity General Funds	12,074	11,139	(11,388)	135	11,960
Total Charity Unrestricted	27,287	11,760	(12,180)	135	27,002

17 Allocation of Group Net Assets between Funds

	2024			2023		
	Unrestricted Funds £000	Restricted Funds £000	Total £000	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fund balances at 31 March are represented by:						
Tangible fixed assets	12,548	-	12,548	12,199	-	12,199
Investments	8,380	-	8,380	7,976	-	7,976
Current assets	7,559	317	7,876	7,973	163	8,136
Creditors due within one year	(1,151)	-	(1,151)	(1,129)	-	(1,129)
Creditors due greater than one year	-	-	-	-	-	-
Total Net Assets	<u>27,336</u>	<u>317</u>	<u>27,653</u>	<u>27,019</u>	<u>163</u>	<u>27,182</u>

18 Operating Lease Commitments

At March 2024, the charity had future minimum lease payments under non-cancellable operating leases in respect of Hospice shops due as follows:

	2024 £000	2023 £000
Within 1 year	410	161
Between 2 and 5 years	783	168
Over 5 years to end of lease term	-	-
	<u>1,193</u>	<u>329</u>

19 Controlling Party

The Company, having no share capital, is under the control of the Directors who also act as Trustees.

20 Pension Commitments

The Company and its subsidiaries operate a defined contribution scheme available to all permanent employees. Pension auto-enrolment legislation came into force for the Hospice in February 2014 and has been complied with from that date. The Company and its subsidiaries also make contributions to the National Health Service Pension Scheme for certain employees.

Contributions are charged in the financial statements as they are incurred and there were no outstanding contributions as at the balance sheet date. Pension costs charged in the year were £527K consisting of £294K paid to the NHS Scheme, and £233K paid to the defined contribution schemes (2023: £285K and £210K respectively).

21 Related Party Transactions

Mike Tudor is the husband of the Chief Executive and is employed by Thornton Firkin who provide Quantity Surveyor services to the Hospice. The charity paid a total of £10K in the year to Thornton Firkin (2023: £20K). There were no amounts owed at the year end.

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

22 Contingent Assets and Liabilities

As at 31 March 2024 the Hospice had been notified of several residuary, pecuniary and specific legacies, some of which have life interests, where the timing of realisation or value of these estates was uncertain. Therefore, no amounts have been accrued in respect of these legacies which are estimated to be in excess of £1,480K (2022/23 in excess of £1,650K).

23 Reconciliation of Net Income to Net Cash Flow from Operating Activities

	Group 2024 £000	Group 2023 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	471	(403)
Adjustments for:		
Depreciation charges	619	573
Dividends, interest, and rents from investments	(450)	(305)
(Gains)/Losses on investments	(471)	685
Increase in stocks	(7)	-
Decrease/(increase) in debtors	171	(664)
Increase in creditors	22	75
Net cash provided by operating activities	355	(39)

24 Analysis of changes in net funds

	Balance at 1.4.23 £000	Cash flows £000	Other non-cash changes £000	Balance at 31.3.24 £000
Cash and bank	6,077	(326)	-	5,751

25 2022-23 Comparative information
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income & Expenditure Account)
For the Year Ended 31 March 2023

	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	Total Funds 2023 £000	Total Funds 2022 £000
Income From:				
	Note			
Donations and legacies:				
Donations	1,366	128	1,494	1,361
Legacies	1,974	196	2,170	2,393
Grants from Charitable Trusts	33	91	124	324
	3,373	415	3,788	4,078
Charitable Activities	3,460	425	3,885	3,895
Covid Related Grants	-	-	-	101
Other trading activities:				
Lottery	1,190	-	1,190	1,176
Projects	420	-	420	370
Shops	4,111	-	4,111	3,515
Fundraising events	302	-	302	199
	6,023	-	6,023	5,260
Investments	305	-	305	188
Other	89	6	95	87
Total Income	13,250	846	14,096	13,609
Expenditure on:				
Raising Donations, Legacies and Grants	812	-	812	705
Other trading activities:				
Lottery	464	-	464	428
Projects	340	-	340	304
Shops	2,531	-	2,531	2,408
Fundraising events	52	-	52	18
Investment management costs	47	-	47	50
Costs of raising funds	4,246	-	4,246	3,913
In patient care	4,382	481	4,863	4,600
Day care	1,359	62	1,421	1,189
Hospice Outreach	973	136	1,109	1,042
Hospice at home	1,227	90	1,317	1,285
Education and research	281	60	341	274
Hospital services	44	-	44	109
Lymphoedema	134	-	134	128
Social Work & Chaplaincy	339	-	339	311
Expenditure on charitable activities	8,739	829	9,568	8,938
Total expenditure	12,985	829	13,814	12,851
Net income for the year and net movements in funds before (losses)/ gains on investments	265	17	282	758
Net (losses)/ gains on investments	(685)	-	(685)	185
Net (deficit)/ surplus for the year	(420)	17	(403)	943
Transfers between funds	135	(135)	-	-
Net movement in funds	(285)	(118)	(403)	943
Reconciliation of funds:				
Total funds brought forward	27,304	281	27,585	26,642
Total funds carried forward	27,019	163	27,182	27,585

