



Annual Report and accounts

2023

B[♥]
St Barnabas
House
{Hospice
Care}

C[♥]
Chestnut
Tree House
{Children's
Hospice Care}



Contents

Introduction from our Chair and CEO	4
Trustees' Report incorporating Strategic Report	5
– Our Annual Report	5
– Our impact in numbers	6
– Our mission and the year ahead	8
– Making progress	10
– A quality service	12
– Our environmental report	14
– Risks and challenges	17
– Fundraising	18
– Financial Review	20
– Structure, governance and accountability	22
– Our President and Patrons	24
– Section 172(1) statement	26
Statement of Trustees' responsibilities	27
Independent Auditor's Report	28
Statement of financial activities	32
Balance sheet	33
Cash flow statement	34
Notes to the financial statements	35

An introduction from our Chair and CEO

Looking back over the past year there have been many areas of progress for which the organisation can feel proud. Sadly, the shadow of the pandemic still remains within healthcare and impacts our processes, approach to infection control and the work environment. Nonetheless, we remain pragmatic and determined to carefully navigate our way through.

The external environment has changed, and while concerns about COVID-19 have eased, people are now struggling with the cost-of-living crisis, worrying over energy bills, and geopolitical instability.

As an organisation, our efforts are focused on preparing for the future. Both hospices have produced new care strategies, setting out our approach to care and the delivery of our services over the next five years. These strategies are crucial in underpinning the wider financial outlook.

As part of the financial strategy for the next five years, we will be drawing on our reserves to restructure the organisation, in order to continue our charitable mission in a sustainable way. Rising inflation and energy prices have placed significant cost pressures across the organisation. This, combined with the difficult fundraising environment, means careful decisions will need to be made to maximise resources for the population we serve.

Fortunately, despite all the instability and uncertainty of the last few years, our incredible supporters remain steadfast. We're extremely grateful for their kindness and generosity in volunteering, fundraising, supporting our shops and legacy giving. Both St Barnabas and Chestnut Tree House rely on this support, and we very much appreciate the huge part the community plays in enabling us to continue offering our crucial services free of charge.

We will continue working to provide the best possible care for our patients, children, and their families – learning from our experiences and improving where we can. We can do this because of the people who so selflessly support us, and we give our heartfelt thanks to each and every one of them.

Best wishes



Mike Rymer
(Chair)



Amanda Fadero
(CEO)



Our Annual Report

The Trustees present the Annual Report together with the audited financial statements for the year 1 April 2022 to 31 March 2023. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with current statutory requirements, 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 Director's 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.

Our impact in numbers



2,027 Physiotherapy, **696** Occupational Therapy and **1094** Complementary Therapy sessions were provided



1,511 patients received our services and we accepted **1,070** new patient referrals



233 patients were admitted to the In-patient Unit



79,526 hours of support were provided by our volunteers, worth **£1,320,000** to the organisation

2,926 pre and post bereavement support sessions were provided by hospice and volunteer counsellors to patients, families and carers. The majority of these were carried out virtually or by telephone

45,939 patients and their families have been cared for since the hospice was founded in 1973



11,246 day and **484** night visits were made to patients in their homes by our Hospice at Home Team, delivering **20,185** hours of care



3,530 patient appointments were completed for **1,461** patients by our Community Palliative Care Nurses



9,844 telephone contacts were made between the Community Palliative Care Team and patients, family and carers



284 children and young people were cared for



146 children and young people stayed at the house with **1,531** occupied bed nights



1,431 counselling and therapy support sessions were provided for children and young people with life-limiting conditions, their parents/carers and siblings



1,380 visits were made by the Community Team



354 attendances were made by Chestnut Tree House children and young people at group activity events



1,126 children and young people have been cared for since we opened in 2003



199 people attended our bereavement events



62 new referrals were accepted



You can read Lara's story at
www.stbh.org.uk/laras-story

"In those final weeks, we became experts at bringing silliness into any moment. I think I laughed more during 2020 than I have in any other year of my life. That's what amazing hospice care can offer, a chance to really live, to see Dad and not his illness."

Lara, David's daughter

Our mission and the year ahead

A year has passed since we reset our strategic objectives and, whilst good progress has been made, we still have much to do. Having reviewed where the organisation is now and what our ambitions should be, we feel our strategic and corporate objectives remain the right ones.

Our strategic objectives are:

- To provide excellence in palliative and end-of-life care for all we serve, through continuous improvement, utilising research and education
- To support all in our communities with life-limiting conditions to live and die with choice and dignity
- To build a sustainable model of care in collaboration with our partners
- To create a culture in which staff and volunteers can reach their full potential through support and investment

Underpinning these strategic goals are our corporate objectives for the coming year:

Support and develop staff

A people-centred approach to employee engagement and human resource matters has been developed across the organisation. A complete review of pay and benefits was undertaken at the end of 2022, and this has provided a springboard for completing work on our wellbeing and engagement strategies.

Grow pathways and opportunities with partners

The wider healthcare sector is struggling to cope with demand, and we are continuing to work with our partners to help alleviate stresses in the system where we can. The environment is complex, but we continue working to strengthen collaboration and partnership.

Offer a positive patient experience

The care our patients receive and the experiences they have with us are central to all our decision making. We strive to learn from feedback and improve practice where needed. One of our ambitions is to create a true learning environment across all teams within the organisation.

Research, educate and innovate

Research remains a priority for the hospices, with evidence-based practice providing better outcomes for patients. Ongoing education and training for all our staff and the wider healthcare community is a crucial part of our delivery.

Develop a plan for sustainability

Crucially, we will produce a new five-year plan to ensure the long-term financial sustainability of the organisation.

"Nursery rhymes, fairy lights, love and constant support. Chestnut Tree House hospice gave us the perfect place to say goodbye to our Rupert."

Kate, Rupert's mum

You can read Rupert's story at
www.chestnut.org.uk/ruperts-story



Making progress

In a uniquely challenging year, we continued to improve and enhance our services to meet the evolving needs of our patients and their families. The following are some of the key achievements made in line with our corporate objectives. Along with our Financial review on page 20 and Risks and challenges on page 17, they constitute the Strategic Report.

To provide excellence in palliative and end-of-life care for all we serve, through continuous improvement, utilising research and education

St Barnabas has seen over 1,500 patients throughout the year and delivered a range of services including clinical care, physio and complementary therapy, and bereavement and counselling support. All these services are important in meeting the differing needs of our patients and their families.

Nearly 10,000 telephone calls and 3,500 appointments were made by our Community Palliative Care Team. The services of our Community and Hospice at Home Teams are increasingly in demand as more patients express their desire to die at home.

The replacement of the In-patient Unit roof at St Barnabas House was successfully completed in April 2023, bringing a major building project to an end.

More than 280 children and young people were cared for by Chestnut Tree House, culminating in over 1,500 overnight stays. We also placed huge focus on our outreach and activity work, covering activities both for children and young people, and their siblings. We even started a group for bereaved and non-bereaved dads.

Much work has gone into planning the refurbishment of the hospice's Wind in the Willows wing, following the successful modernisation of the teenage wing. Thanks to a large donation from a private donor, we have been able to move forward with the new project and hope to start the building work in late summer 2023.

As we emerged from the COVID-19 pandemic, we have focused on building our resilience and capacity in research, through building our research governance infrastructure and developing external research partnerships, such as the newly formed Sussex Research Collaborative. A new Research Strategy, closely aligned to our Care Strategy, has also been agreed and will direct our activity over the next few years.

Our Education Team delivered 92 courses to 643 delegates – 412 of these were staff of St Barnabas Hospices and 231 were external attendees. We received funding from Health Education England that allowed us to start simulation work at St Barnabas House and support existing work at Chestnut Tree house. This innovative work, which uses two life-sized adult mannequins, is part of clinical skills teaching and has received interest locally and nationally.

To support all in our communities affected by life-limiting conditions to live and die with choice and dignity

The care strategies for both hospices have now been finalised, setting out our ambitions for the future of our services. The key focus for both hospices is reaching everyone who needs us, through either direct or indirect care. Demand continues to grow against a backdrop of financial insecurity, health system pressures and challenges with recruitment of clinical staff. Despite this, we remain committed to delivering our ambition and we are reworking our five-year financial plan with this in mind.

To build a sustainable model of care in collaboration with our partners

Providing the best care for our patients, young people and their families cannot be done in isolation. We offer our services as part of the wider healthcare system, and we stay in constant communication with local hospitals, GPs, commissioners and other health and social care providers.

We continue to actively engage with Together for Short Lives – the umbrella body for children's hospices. Plus, we are forging closer working relationships with our neighbouring children's hospices.

We remain in regular communication with adult hospices across Sussex, and Hospice UK – the umbrella body for adult hospice care. Joint discussions are taking place to help maximise our impact on communities across the county in the most efficient and impactful way.

To create a culture in which staff and volunteers can reach their full potential through support and investment

We successfully completed the pay and benefits review, which we started at the beginning of this year. As a result, both hospices now have one salary structure and there is a consistent set of employee benefits across the organisation. Transparency and fairness are critically important to us when setting pay and in helping to retain and recruit staff. With this in mind, we have relaunched our long service awards, which recognise employees who have completed more than five, ten, 15 and 20 years of service.

Face-to-face induction sessions have recommenced for all new employees, and they also receive a welcome booklet. Employee engagement continues to gain momentum with a full policy and process review underway, a new Champions for Change staff group established, and regular staff briefings from the Leadership Team. Staff engagement and consultations are run for any decisions of strategic importance.

Our Voluntary Services Team has been working on delivering a new volunteer management platform, which is about to be rolled out. Recruitment events have been held to attract new volunteers and all training has been refreshed. Our volunteers are extremely important to us, and we hope to expand the opportunities we can offer them in the coming year.



A quality service

Providing sustainable, high-quality palliative and end-of-life care within our hospices requires effective, integrated governance systems combined with internal control. The following outlines our status against key quality indicators and shows our progress against the quality improvement priorities set for 2022/23. It also includes some of our quality improvement plans for 2023/24.

During the year we've seen a reduction in the number of formal complaints and an increase in the number of recorded compliments.

Our infection control standards have remained high. There have been no cases of MRSA, E. coli, Pseudomonas or Klebsiella bacteraemia. Nor have there been any acquired cases of Clostridium difficile infection (CDI). Additionally, there has been no evidence of employee-to-employee, employee-to-patient and patient-to-patient transmission of COVID-19 across St Barnabas or Chestnut Tree House.

We have achieved National Institute for Health and Care Research (NIHR) 'Research Generating Hospice' status, in recognition of the fact that we actively undertake our own research and generate new research evidence. We are currently involved in four NIHR Clinical Research Network Portfolio Studies.

In July 2022, we launched our year One Comprehensive Quality Improvement Plan and five-year outcome ambitions. The plan is aligned to our strategic objectives and presented under the Care Quality Commission's (CQC) five domains of care: Well-led, Safe, Caring, Responsive and Effective.

Our achievements include:

Well-led

- Completing an external review of our governance processes
- Revising our governance structures
- Developing and launching our People Plan
- Launching our menopause and wellbeing cafés and model of mental health care plans for staff

Safe

- Procuring and configuring a new interactive digital system (RADAR) to support our quality governance functions
- Implementing a new drug chart on our In-patient Unit to simplify our medicines record-keeping process and reduce the risk of medication errors. We have audited the new chart to ensure the changes we have made are effective
- Undertaking a comprehensive review of our controlled drugs management systems and developing a new policy and procedures to accompany this
- Configuring a new incident reporting system, simplifying our reporting form, and revising our incident reporting policy to reflect these changes
- Embedding the new national medical examiner process for our in-patient services

Caring

- Establishing a patient and carer experience group
- Benchmarking our patient and carer experience systems against the national framework
- Participating in the national FAMCARE benchmarking programme for end-of-life care
- Developing our care strategies in line with local demographics and system needs
- Developing and launching our Clinical Care strategies



Effective

- Reviewing our National Institute for Health and Care Excellence (NICE) guidance triage and cascade processes
- Developing and publishing our education strategy
- Commissioning an external audit of our Information Governance process
- Reviewing our clinical audit systems
- Publishing our research strategic aims
- Enhancing our systems by embedding research and evidence-based practice within our training programme

Responsive

- Developing our Champions for Change staff group, whose responsibilities include workforce equality, diversity and inclusion
- Developing and publishing our estates plan
- Revising our appraisal processes
- Reviewing our operational and leadership structures to ensure they are aligned to our strategies

Looking forward, our priorities for 2023/24 include:

- Implementing our quality governance data system (RADAR)
- Undertaking an organisational review of our risk management strategy, aligned to our new structures and published strategy
- Embedding our new committee reporting structures and testing the effectiveness of their terms of reference
- Developing environmental sustainability strategies to help reduce our carbon footprint
- Developing a plan for enabling electronic prescribing and administration
- Implementing the Integrated Palliative Care Outcomes Scale (IPOS)



Our environmental report

Environmental sustainability remains important to us as an organisation, and we've put systems in place to minimise our environmental impact where possible.

Greenhouse Gas (GHG) Emissions

In line with the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard, we are continuing our aim to reduce our greenhouse gas emissions.

St Barnabas Hospices maintains both scope one (1) and two (2) emissions generated from our hospices and shops respectively, plus emissions from the following transport:

- 1) Indirectly managed vehicles, including 'grey fleet' transport (personal cars used for business purposes)
- 2) Company vehicles

We are continuing to focus on the points below as part of our environmental strategy:

- 1) Reviewing and developing our Car Policy and Drivers' Handbook (annual review)
- 2) Encouraging employees to purchase renewable technology cars, such as hybrid vehicles
- 3) Purchasing energy-efficient equipment where appropriate
- 4) Replacing HVAC systems with energy-efficient equipment where possible
- 5) Adopting behavioural change measures where possible

Methodology

We have reported all emission sources under the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 as required. We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting (reference 'Introduction guidance').

The reporting period is the fiscal year 2022/2023, 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.

Our organisation, like many others, was impacted by the COVID-19 pandemic, which slowed our ability to progress as much as we would have liked. However, we still have a longstanding commitment to tackling climate change. Our calculated carbon footprint for our current financial year is 526.82 tCO₂e, whilst energy consumption was 2,394,684.97 kWh (2,395 MWh).

2022/2023 Emissions

Scope 1 (natural gas, gas oil and transport)	266.93 Tonnes COE equivalent (tCO ₂ e)
Scope 2 (electricity)	204.75 Tonnes COE equivalent (tCO ₂ e)
Scope 3 (electricity T&D, transport)	55.14 Tonnes COE equivalent (tCO ₂ e)
Total	526.82 tCO₂e
Scope 1, 2 and 3 intensity metric	1.18 tCO₂e

Our emissions have increased by 2.73%, primarily due to rising electricity consumption and transportation as full services resumed following COVID-19.

Efficiency measures taken

- Lighting across the portfolio has improved – all external lamps are now LED
- Our fleet now encompasses hybrid vehicles and will increasingly do so as vehicles are replaced

Objectives for 2023/2024

- Discussions with property owners over supply contracts with a view to renewable energy
- Continual review of existing office equipment, estates portfolio and company policies
- Finalise ESOS phase 3 compliance





Risks and challenges

Risk management plays a central role in our governance processes across all levels of the organisation. The Board and Senior Leadership review our strategic and corporate risks on a regular basis, adjusting mitigation and controls as needed. The five risks listed below represent our overarching strategic risks.

Risk	Mitigation
Leadership, culture and reputation The absence of a high performing Board and Leadership, good external reputation and a happy, thriving culture could indicate a poorly led organisation with low staff morale. Ultimately, this may impact on delivery of strategic objectives and patient outcomes.	A Board development programme is in place, including governance through Board Committees. Regular appraisals are conducted with Trustees and all staff, including the Leadership Team. In addition, regular monitoring of external media, complaints, and perception is in place. Workforce policies are being reviewed and new Trustee and Director appointments are underway.
Organisational workforce A failure to attract and retain professional, capable and suitably skilled staff or volunteers could lead to unsettled teams, low staff morale and wellbeing. This may also prevent us from safely meeting organisational needs, which could lead to poor patient outcomes and experiences, and non-delivery of contractual obligations.	We have published our organisational People Plan, outlining plans for the next two years. A full pay and benefits review has been completed and rolled out. Regular staff surveys and forums are in place, and education programmes, and health and wellbeing support is offered to all.
Compliance with the new CQC regulatory framework An inability to demonstrate compliance could adversely affect our care delivery and reputation.	Our Quality Performance Governance structure is working well. A Quality Improvement Plan has been established and is being regularly reviewed. An electronic risk register has been put in place alongside an incident reporting, complaints and policy database. Established controls are also in place to identify and address patient safety issues.
Financial outlook The cost-of-living crisis and government cuts could curtail our funding streams. Meanwhile, poorly constructed or badly implemented financial plans could lead to continuing deficits – eventually threatening the ability to deliver strategic objectives, charitable purpose and, ultimately, patient care.	A series of financial review meetings and quarterly reforecasts are in place. We have also reset income targets to represent realistic performance given the economic climate. Vacancy control systems are in place.
Resilience Underinvestment in our IT and estates infrastructure may reduce its resilience. This could leave the organisation unable to meet its objectives or respond to unanticipated events.	We've established disaster recovery plans, with clinical records backed up regularly off site. A programme board has been set up to manage large capital projects. Routine maintenance plans and a planned programme of estate developments are in place alongside an annual audit of assets.

Fundraising

The challenging economic crisis made fundraising extremely difficult in 2022. Our teams and communities continued to give us tremendous support, but less money was raised than in the previous year.

Our income generation activities had mixed success, largely dictated by the audiences they were aimed at. Thankfully, our retail operation performed well and managed to return a net profit of £1m for the second year running. We aim to strengthen this by opening new shops this year.

Community fundraising continued regaining momentum post-pandemic, and we were amazed and humbled by the dedication of individuals and community groups in raising money for both hospices. In 2022, we tried something different by running the St Barnabas Sunrise to Remember event in June. We also hosted a small dinner at Arundel Castle to celebrate St Barnabas' 50-year anniversary.

Our lottery continued to generate a large proportion of our voluntary income. Whilst we manage most fundraising in house, we work with professional fundraising teams and commercial organisations when it is more cost effective to do so – as is the case with the lottery. All our partners undergo due diligence before contracts are signed, and we carry out a regular programme of training and mystery shopping.

We also hosted the Snowman@The Grand – our first post-pandemic Christmas ball for Chestnut Tree House. The event was a huge success and raised £150K for the hospice – far exceeding expectations.

St Barnabas Hospices is a member of the Fundraising Regulator and abides by the direct marketing code of practice and the fundraising code of practice. In this financial year, we received 45 fundraising complaints from members of the public. However, none were received via the regulator and they were all resolved by us. We take all feedback seriously and our Supporter Care Team works hard to strengthen our relationships with supporters.

We continue to rely on the kind generosity of our wonderful community. The vast majority of our income comes from individuals and community groups who give smaller amounts that all add up. We are extremely grateful for this support, particularly in the current economic climate. We would like to thank everyone who gave so generously in 2022, including:

- | | | |
|----------------------------|-----------------------------------|----------------------------|
| Airwave Europe Ltd | Haskins Garden Centre, Roundstone | Sabre Insurance Group |
| Benchmark Capital | Karina and Elfed Jarvis | Technetix Group Ltd |
| Brian Moore | Morrisons | Temco Ltd |
| BrightLocal | NFU Mutual Pulborough | The Albert Hunt Trust |
| Chris and Lynn Collins | Nick and Jan Best | The Woodall Family |
| ECE Architecture Ltd | Oliver's Wish Foundation | Timothy and Mary Clode |
| First Central | Paul and Annette Jones | Together for Short Lives |
| Friends of Sussex Hospices | Roffey Homes | VPI Shoreham Power Station |
| Gardiner & Scardifield | Roger and Maureen Kelly | |
| Gordon and Tina Owen | Rolls-Royce Motor Cars | |

Remembering friends we've lost

A special mention and thanks to the late Ambrose Harcourt, who sadly died last August. Ambrose was an integral part of Chestnut Tree House from the start, initially as a friend and patron, and for the last few years as a Vice President of the Charity. With a smile for everyone, he is dearly missed.

Raymond Briggs also sadly passed away in August. A friend and patron to the Charity, Raymond has been a very important part of Chestnut Tree House for many years. We will always be grateful for his kindness and support.



Financial review

Results for the year are shown in the Statement of Financial Activities

The year ending 31 March 2023 was a challenging one. The Charity, together with our staff, donors and service users, was affected by the cost-of-living crisis, with a major hike in energy and other costs. Support from our community was incredibly strong. However, as is the case with many charities, we saw a reduction in fundraising income.

Overall income was £20.5m (2022 – £18.8m) and expenses were £22.6m (2022 – £19.8m), with an operating deficit of £2.0m (2022 – £1.0m). Investment market conditions were adverse over the year due to geopolitical instability, and a loss of £2.4m on investments was recorded (2022 – £1.6m gain).

Income from fundraising was £6.3m (2022 – £7.2m). The reduction can be explained by the receipt of a major donation in the previous year, and the context of an adverse economic environment.

Retail income growth to £3.5m (2022 – £3.2m) is testimony to the hard work of staff and volunteers in our shops, and the growing importance of thrift shopping in the current climate.

Legacies contributed £6.0m (2022 – £2.5m), a strong improvement year on year.

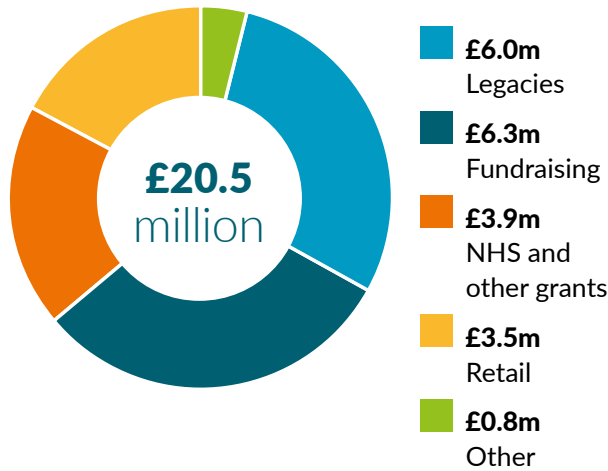
Investment income was £0.8m (2022 – £0.9m), NHS and contractual income £3.1m (2022 – £3.9m), and other income sources £0.8m (2022 – £1.1m).

77% of the Charity's income comes from voluntary sources, such as fundraising, lottery, legacies, and retail shops. Only 15% of our income derives from NHS grants and funding for services provided.

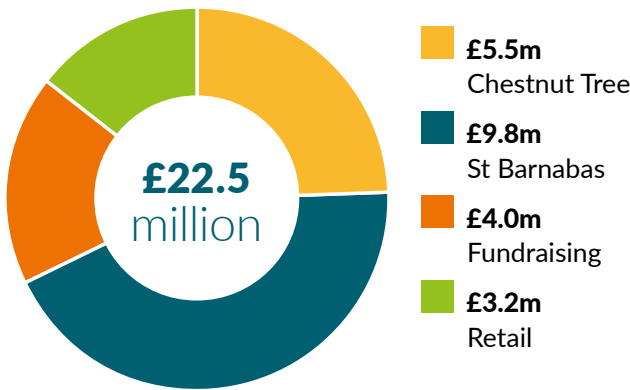
Fundraising costs were £3.4m (2022 – £3.1m), retail costs £2.4m (2022 – £2.2m), support costs were £3.9m (2022 – £3.0m) and the costs of running our hospices and community care were £12.8m (2022 – £11.5m).

Overall, NHS and contractual funding covers 24% of the costs of running our hospices and community services.

Income



Expenditure



Reserves policy

Reserves are held by the Charity to ensure it remains sustainable and can continue meeting the needs of its community in the event of adverse circumstances. They are intended to strengthen the Charity's resilience and capacity to manage unforeseen financial difficulties and ensure that delivery of the charitable purpose is not interrupted.

The Trustees review the reserves policy each year and agreed to continue applying the risk-based formula for target free reserves introduced in 2022. The calculation results in a target-free reserves figure of £14m. This would enable the Charity to continue its activities during a period of reduced income due to changes in

fundraising success or other factors. The policy further states that target reserves should be within a 30% range of the amount calculated by this method. The target range is therefore £12.6m to £16.8m.

Free reserves are defined as those reserves that are not restricted, designated, held as fixed assets or in the revaluation reserve. The table below shows the calculation of the amount of free reserves that are available to be held as reserves as at 31 March 2023 which, at £16.6m, fall within the target range.

	£'000
Total funds held at 31 March 2023	43,281
Less: Restricted funds	(1,081)
Amounts held as tangible fixed assets	(13,249)
Less: other designated funds:	
Revaluation reserve	(1,175)
Service development fund	(8,680)
Capital development fund: St Barnabas House	(1,500)
Capital development fund: Chestnut Tree House	(1,000)
Free reserves at 31 March 2023	16,596

Investment policy and objectives

The Trustees intend that the Charity's invested assets are secured and enhanced where possible, by investing in an equities, fixed income, property, and cash portfolio. Each year, the Trustees decide on the portfolio's appropriate rate of return. Annually, the Trustees review the brief given to investment managers regarding the proportion of investments to be held in each asset class within the portfolio, the level of acceptable risk, and the level of income required. The Charity does not make direct investments in tobacco companies, and ensures that its investment manager has effective environmental, social and governance policies in place.

Investment performance

The investment income received was £0.8m (2022 – £0.9m), whilst there was a net loss of £2.4m on the investment portfolio. The Trustees consider the investment return is satisfactory in the light of challenging market conditions when compared with benchmarks for the relevant asset allocation mix.

Going concern

The Trustees believe that the going concern basis is appropriate for the preparation of accounts, as explained in note 1.2 to the financial statements.

Disclosure of information to the auditors

Each Trustee has confirmed that they are aware of no information relevant to the audit 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.

Engagement with suppliers, customers and others

During the period the Charity continued to engage with suppliers. 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. Engagement with stakeholders is further set out in the s172(1) Statement.



Structure, governance and accountability

St Barnabas Hospices (Sussex) Ltd 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 governing Board of Trustees is committed to maintaining a high standard of corporate governance. Its members, all of whom are volunteers, 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. They serve a maximum of nine years (three terms of three years). They have full access to the e-learning induction programme for staff, with some modules being mandatory for all Trustees.

There are six Committees of the Board:

- The Quality & Performance Committee
- Finance Committee
- Audit Committee
- People Committee
- Income Generation and Communications 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. There are clear distinctions between the roles of the Trustees and the Leadership Team, 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.

St Barnabas Hospices (Sussex) Ltd owns two subsidiary companies:

- St Barnabas Hospice (Worthing) Projects Limited, whose principal activity was to design, manage and build the new adult hospice. This company is currently dormant.
- 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 St Barnabas Hospices (Sussex) Limited.

Remuneration

St Barnabas Hospices has just undertaken a full-scale review of employee pay and benefits. Our aim was to ensure the organisation is competitive within the wider marketplace for recruitment of new staff; we reward our staff appropriately in order to aid retention; we are consistent in our approach across all areas of the business; and our approach is affordable, given our charitable status.

Following this review, the organisation took the decision to commit to the Real Living Wage. We are very proud that on 1 April 2023, we became an accredited Real Living Wage employer.



As an organisation, we undertake full and fair consideration of all applications for employment in which the candidate's aptitudes and abilities adequately meet the requirements of the role, including those from people with disabilities. This is in line with our equality, diversity and inclusion policy. With regards to employee training and development, we have an in-house education team that provides support, alongside annual reviews which highlight any training needs. Training is available to all employees regardless of position and length of service. Opportunities are available to employees with disabilities for training, career development and promotion. Our new health and wellbeing policy ensures that all employees are looked after and given the care and support they need should illness or disability impact them at any point.

We have a remuneration committee of Trustees. The policy (approved in 2022) is based around benchmarking externally with flexibility as required, particularly for roles that are difficult to benchmark. The salaries of all individuals who report to the CEO, and that of the CEO herself, are individually approved by the remuneration committee, as is the overall policy.

Gender pay gap

St Barnabas is committed to fair and equal pay regardless of gender. The gender pay gap is the difference between the average earning of men and women expressed as a percentage of men's earnings. All roles are considered in the equation.

As at 5 April 2022, the organisation employed 467 people. Most of the workforce are women with only 11% being men.

Women working at the hospices earn 95p for every £1 earned by men when comparing median hourly pay. Their median hourly pay is 4.84% lower than that of men. When comparing mean (average) hourly pay, women's mean hourly pay is 70.53% higher than men's.

Looking at the percentage of women who occupy jobs across the organisation, women occupy 89% of the highest paid jobs and 91% of the lowest paid jobs.

Upper hourly pay quarter (highest paid)	women 89%	men 11%
Upper middle hourly pay quarter	women 92%	men 8%
Lower middle hourly pay quarter	women 80%	men 20%
Lower hourly pay quarter (lowest paid)	women 91%	men 9%

Across the hospices, women earn £1.90 for every £1 that men earn, comparing median bonus pay. Their median bonus pay is 90.12% higher than men's. When comparing mean (average) bonus pay, women's mean bonus pay is 135.04% higher than men's. Our bonus scheme is run across our retail operation only, and 6.53% of women and 1.89% of men receive a bonus.

Our President and Patrons

President

Henry Fitzalan Howard, Earl of Arundel

Vice-presidents

Kathy Gore OBE, DL

Sally Gunnell OBE, DL

Dr Alan Kingsbury

Mrs Elizabeth M Naunton

Miss Margaret Stroud

Honorary officers

Mike Rymer, Chair of Trustees

Ruth Taylor, Deputy Chair of Trustees

Martin Godsmark, Treasurer

Leadership Team

Amanda Fadero, Interim CEO

Ellie Hayter, Director of Clinical Improvement,
Education & Research (until July 2023)

Tim Hutson, Director of Adult Services
(September 2022-April 2023)

Anna Jones, Director of Children's Services

Becki Jupp, Deputy CEO
(Director of People & Income Generation)

Nicole Singh, Director of Finance & Business Services
(until March 2023)

John Headley, Interim Director of Finance & IT
(joined April 2023)

Kathleen Houghton, Interim Director of Delivery
(April 2023)

The Trustees

Ros Britton

Jill Carnie

Tony Clark

Neil Gatley (stepped down Sept 2022)

Vicci Johnson

Lisa Kenna

Tony Moss

Stuart Palma

David Rennie

Ian Sellwood

Registered address

St Barnabas House

Titnore Lane

Worthing

West Sussex

BN12 6NZ

Chestnut Tree House

Dover Lane

Arundel

West Sussex

BN18 9PX

Principal bankers

NatWest Bank PLC

5 Broadwater Street East

Worthing

West Sussex

BN14 9AB

Solicitors

DMH Stallard LLP

Griffin House

135 High Street

Crawley

West Sussex

RH10 1DQ

Investment advisers

Abrdn

1 George Street

Edinburgh

EH2 2LL

Independent auditors

Kreston Reeves LLP

9 Donnington Park

85 Birdham Road

Chichester,

West Sussex

PO20 7AJ



Trustees statement of compliance with duty to promote the success of the Charity

S172(1) Statement

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 2023.

Stakeholders of the Charity 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 Charity for the benefit of its stakeholders as a whole (having regard to the matters set out in s172 of the Act) in the decisions 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 & safety, environmental reports, risks and opportunities. The Charity's performance and progress are also reviewed regularly at Board and senior leadership meetings.
- The Charity's employees are fundamental to the success of the Charity 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 the financial position, using a variety of formats, such as face to face meetings. Staff are consulted on matters which are likely to affect their interests, both in groups and, where appropriate, on an individual basis. Interest groups, such as the Employee Engagement Group, are also consulted and informed about potential changes. Staff surveys are carried out regularly, and the results carefully analysed and acted upon.
- Patient care is at the heart of the Charity, and it is essential to provide sustainable healthcare true to the Charity's values: caring, courageous and connected. A new Care Strategy for Adult Services was agreed during the year, whilst the Care Strategy for Children's Services was being worked on. In both cases the views and input of our patients and their families were actively sought.

The Trustees' intentions are to behave responsibly toward all stakeholders and treat them fairly and equally, whilst pursuing the long-term success of the Charity. The Trustees have overall responsibility for determining the Charity's vision, mission, values and strategy and for ensuring high standards of governance.

The primary aim of the Trustees is to promote the Charity'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 Charity, and contributing to the wider society.

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:



M Rymer, Chair
4 October 2023



M Godsmark, Honorary Treasurer
4 October 2023

Statement of Trustees' responsibilities for the year ended 31 March 2023

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 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report

To the Members of St Barnabas Hospices (Sussex) Limited

Opinion

We have audited the financial statements of St Barnabas Hospice (Sussex) Limited (the 'Charity') for the year ended 31 March 2023 which comprise the Statement of financial activities, the Balance sheet, the 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 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 Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud 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 inspection reports; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion 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 my Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's 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.

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

Use of our report

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

Kreston Reeves LLP

Lucy Hammond BSc FCA (Senior statutory auditor)
For and on behalf of Kreston Reeves LLP
Chartered Accountants Registered Auditor
Chichester

5 October 2023

Statement of financial activities

(including income and expenditure account)

Company Registered no. 0930107

For the year ended 31 March 2023

	Note	Restricted Funds 2023 £000	Unrestricted Funds 2023 £000	Total Funds 2023 £000	Total Funds 2022 £000
Income from:					
Donations and legacies	3	171	9,704	9,875	7,291
Charitable activities	4	3,067	800	3,867	4,950
Other trading activities	5	-	5,925	5,925	5,660
Investments	6	-	830	830	861
Other income		-	26	26	34
Total income		3,238	17,285	20,523	18,796
Expenditure on:					
Raising funds	7	-	7,232	7,232	6,261
Charitable activities	7	3,204	12,128	15,332	13,536
Total expenditure		3,204	19,360	22,564	19,797
Net income/(expenditure) before net (losses)/gains on investments		34	(2,075)	(2,041)	(1,001)
Net gains/(losses) on investments		-	(2,426)	(2,426)	1,626
Net movement in funds for the year		34	(4,501)	(4,467)	625
Reconciliation of funds:					
Total funds brought forward		1,047	46,701	47,748	47,123
Net movement in funds		34	(4,501)	(4,467)	625
Total funds carried forward	15	1,081	42,200	43,281	47,748

The Statement of financial activities includes all gains and losses recognised in the year. The notes on pages 35 to 51 form part of these financial statements.

Balance sheet

Company Registered no. 0930107

As at 31 March 2023

	Note	£000	2023 £000	2022 £000
Fixed assets				
Tangible assets	11		13,369	13,556
Investments	12		20,466	29,056
			33,835	42,612
Current assets				
Stocks		20		17
Debtors	13	2,014		2,075
Cash at bank and in hand	18	8,472		4,308
		10,506		6,400
Creditors: amounts falling due within one year	14	(1,060)		(1,264)
Net current assets			9,446	5,136
Total assets less current liabilities			43,281	47,748
TOTAL NET ASSETS			43,281	47,748
Charity funds				
Restricted funds	15		1,081	1,047
Unrestricted funds:				
Designated funds	15	24,429		26,650
General funds	15	17,771		20,051
Total unrestricted funds	15		42,200	46,701
TOTAL FUNDS			43,281	47,748

The notes on pages 35 to 51 form part of these financial statements.

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:



M Rymer, Chair
4 October 2023



M Godsmark, Honorary Treasurer
4 October 2023

Cash flow statement

For the year ended 31 March 2023

Company Registered no. 0930107

Note	2023 £000	2022 £000
Cash flows from operating activities		
Net cash used in operating activities	(1,884)	(1,985)
Cash flows from investing activities		
Dividends, interests and rents from investments	830	861
Purchase of tangible fixed assets	(924)	(525)
Proceeds from sale of investments	7,564	4,228
Purchase of investments	(1,422)	(4,109)
Net cash provided by investing activities	6,048	455
Change in cash and cash equivalents in the year	4,164	(1,530)
Cash and cash equivalents at the beginning of the year	4,308	5,838
Cash and cash equivalents at the end of the year	8,472	4,308

The notes on pages 35 to 51 form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies

1.1 Basis of preparation of financial statements

The charitable company is a private company limited by guarantee incorporated in the UK and registered in England & Wales and constitutes a Public Benefit Entity as defined by FRS 102. The registered office is St Barnabas House, Titnore Lane, Worthing, West Sussex BN12 6NZ.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (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 Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2020.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the Charity and rounded to the nearest thousand pounds.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charitable company does not need to prepare group accounts and these financial statements only refer to the parent undertaking, not the group. The charitable company is exempt under section 402 of the Companies Act 2006 from the requirement to prepare consolidated accounts on the grounds that under section 405 both of its subsidiary undertakings could be excluded from consolidation as their inclusion is not material.

1.2 Going concern

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

1.3 Income

Income received is included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. All donations and other forms of voluntary income are recorded when the Charity has been notified of the amounts and settlement is expected. Other income, including investment income, is recorded on an accruals basis.

Legacies receivable are included in the financial statements when they satisfy the following three criteria:

- Entitlement – the earlier of the Charity being notified of an impending distribution or the legacy being received;
- Probable – receipt is more likely than not and;
- Measurement – the monetary value can be sufficiently reliably measured.

Legacies received as equities are valued as advised by the investment managers. On occasion legacies will be notified to the Charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Donated facilities and donated professional services are recognised as an income at their fair value where the provider of the service has incurred a financial cost. Fair value is determined on the basis of the value of the gift to the Charity. A corresponding amount is recognised in expenditure. Volunteer time is not included in the financial statements.

Grants, including government grants, are recognised in full in the Statement of Financial Activities in the year the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. Grants for the purchase of fixed assets are credited to restricted income when receivable.

Gifts in kind donated for resale are included at fair value. Where it is impracticable to fair value the items on donation due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from trading activities'.

1.4 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 are associated with meeting the constitutional and statutory arrangements of the Charity, including external audit and the cost of preparing statutory accounts, the cost of trustees' meetings and other costs involved with the Charity's strategic management.

1.5 Interest receivable

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

1.6 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 donation income in the Statement of financial activities.

1.7 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.

1.8 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 are included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their estimated residual value over their expected 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: children's hospice	–	straight line over 30 years
Leasehold improvements	–	straight line over 20 years
Motor vehicles	–	25% per annum straight line
Fixtures and fittings	–	10 or 25% per annum straight line
Freehold land	–	not depreciated

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

1.9 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 plus associated tax recoverable, 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. Investments held as fixed assets are shown at cost less provision for impairment.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 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.

1.12 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.

1.13 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.

1.14 Financial instruments

The Charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 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 the year in which they fall due.

1.16 Pensions

The Charity has operated a defined benefit scheme on behalf of its 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, one defined contribution scheme is operated by the Charity. Contributions payable are charged in the period to which they relate. Further information on the pension schemes can be found in note 20.

1.17 Fund accounting

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

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

1.18 Termination benefits

It is the Charity's policy to recognise termination benefits when they become committed, by legislation, by contractual or other agreements with employees or their representatives or by constructive obligation based on business practice, custom or a desire to act equitably, to make payments (or provide other benefits) to employees when it terminates their employment. Termination payments do not provide the Charity with future economic benefits therefore it is their policy to recognise them as an expense in the profit or loss immediately.

2. Critical accounting estimates and areas of judgement

In applying the above accounting policies, the Trustees are required to make estimates and judgements. Critical accounting estimates and assumptions:

The Charity makes 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 key sources of estimation uncertainty relate to the recognition of income from legacies, where the actual amount received may differ from that initially recognised, and tangible fixed assets, which are stated at their deemed cost less provision for depreciation. The Charity at acquisition determines the reliable estimates for the useful life of the asset and its residual value. These estimates are based upon factors such as the expected use of the acquired asset and market conditions. At subsequent reporting dates the trustees consider whether there are any factors that indicate that there would be a need to reconsider the estimates used.

Critical areas of judgement: The key judgements applied in these financial statements are in determining the allocation of funds as restricted or designated.

3. Income from donations and legacies

	Restricted Funds 2023 £000	Unrestricted Funds 2023 £000	Total funds 2023 £000	Restricted Funds 2022 £000	Unrestricted Funds 2022 £000	Total funds 2022 £000
Donations	171	3,517	3,688	1,047	3,529	4,576
Legacies	-	5,972	5,972	-	2,530	2,530
Retail gift aid donations	-	215	215	-	185	185
	171	9,704	9,875	1,047	6,244	7,291

The Charity has £1,987k (2022: £1,044k) in contingent assets in respect of potential legacy income. This relates to outstanding legacies at the year end, expected to be received in the next financial year.

4. Income from charitable activities

	Restricted Funds 2023 £000	Unrestricted Funds 2023 £000	Total funds 2023 £000	Restricted Funds 2022 £000	Unrestricted Funds 2022 £000	Total funds 2022 £000
NHS grants	1,995	-	1,995	2,036	-	2,036
Contractual income	917	201	1,118	870	252	1,122
NHSE grants	-	-	-	739	-	739
Other grants	1	567	568	432	581	1,013
Education income	154	32	186	-	40	40
	3,067	800	3,867	4,077	873	4,950

The Charity received a restricted grant from the Coastal West Sussex Clinical Commissioning Group (CCG) of £1,418k (2022: £1,394k) for the adult hospice. The Charity received a restricted grant from the Department of Health of £577k (2022: £642k) for the children's hospice.

Statutory contract income of £1,118k (2022: £1,222k) was received for the provision of care at both hospices from local county councils and Coastal West Sussex CCG.

In the year ending 31 March 2023 other grant income includes funding from local CCGs relating to the continuing impacts of COVID-19 of £290k (2022: £397k). No COVID-19 related funding was received in the year in relation to NHSE grants (2022: £739k), Coronavirus Job Retention Scheme (2022: £13k) nor Hospices UK COVID-19 response (2022: £234k).

5. Income and expenditure from raising funds

	Retail 2023 £000	Fundraising 2023 £000	Total 2023 £000
Legacies (note 3)	-	5,972	5,972
Donations and retail gift aid donations (note 3)	215	3,688	3,903
Income from trading activities	3,264	2,661	5,925
Income from raising funds	3,479	12,321	15,800
Salary costs (note 7)	(1,461)	(1,650)	(3,111)
Other costs excluding retail depreciation	(972)	(1,733)	(2,705)
Expenditure on raising funds	(2,433)	(3,383)	(5,816)
Surplus before support costs and depreciation	1,046	8,938	9,984
Support costs (note 7)	(679)	(657)	(1,336)
Total Contributions from raising funds	367	8,281	8,648

Support salaries are included in support costs. Included within the income from trading activities are retail sales of £860k (2022: £740k) relating to the proceeds of sales made on behalf of donors under the retail gift aid scheme. The associated gift aid claimed of £215k (2022: £185k) is shown as donations.

In the year ended 31 March 2023, of the total income from trading activities, £nil (2022: £nil) was to restricted funds. Included in retail trading income are local county council grants of £nil (2022: £97k).

	Retail 2022 £000	Fundraising 2022 £000	Total 2022 £000
Comparative information			
Legacies (note 3)	-	2,530	2,530
Donations and retail gift aid donations (note 3)	185	4,576	4,761
Income from trading activities	3,015	2,645	5,660
Income from raising funds	3,200	9,751	12,951
Salary costs (note 7)	(1325)	(1,691)	(3,016)
Other costs excluding retail depreciation	(911)	(1,390)	(2,301)
Expenditure on raising funds	(2,236)	(3,081)	(5,317)
Surplus before support costs and depreciation	964	6,670	7,634
Support costs (note 7)	(453)	(491)	(944)
Total Contributions from raising funds	511	6,179	6,690

6. Investment income

	2023 £000	2022 £000
Income from listed investments	812	860
Interest receivable	18	1
	830	861

7. Total expenditure

	Staff costs excluding support salaries £000	Other costs £000	Support costs including support salaries £000	Total 2023 £000
Charitable activities				
St Barnabas House				
Inpatient services	2,621	1,055	628	4,304
Community team services	1,304	102	225	1,631
Hospice at home	1,322	124	330	1,776
Day hospice	193	197	91	481
Outpatients service	346	83	107	536
Family services	406	92	126	624
Education	310	79	71	460
	6,502	1,732	1,578	9,812
Chestnut Tree House				
In house services	3,199	1,020	889	5,108
Family services	204	76	87	367
Education	37	2	7	46
	3,440	1,098	983	5,521
Total charitable activities	9,942	2,830	2,561	15,333
Raising funds				
Fundraising	1,650	1,733	657	4,040
Retail	1,461	1,051	679	3,191
	3,111	2,784	1,336	7,231
Total expenditure	13,053	5,614	3,897	22,564
	Raising funds £000	Charitable activities £000	Total 2023 £000	
Support cost allocation				
Support staff costs	674	1,292	1,966	
Premises, technology and other costs	662	1,269	1,931	
	1,336	2,561	3,897	

In the year ended 31 March 2023, £3,204k of the total expenditure on charitable activities was from restricted funds (2022: £4,220k). Governance costs totalling £22k (2022: £20k) relating to auditor's remuneration (note 8), trustees' insurance and expenses (note 10) are included within 'Premises, technology and other costs'.

Total expenditure (continued)

Comparative information	Staff costs excluding support salaries £000	Other costs £000	Support costs including support salaries £000	Total 2022 £000
Charitable activities				
St Barnabas House				
Inpatient services	2,696	816	513	4,025
Community team services	1,432	106	242	1,780
Hospice at home	1,112	92	245	1,449
Day hospice	315	224	90	629
Outpatients service	349	79	86	514
Family services	365	78	82	525
Education	118	63	29	210
	6,387	1,458	1,287	9,132
Chestnut Tree House				
In house services	2,807	825	757	4,389
Education	11	1	3	15
	2,818	826	760	4,404
Total charitable activities	9,205	2,284	2,047	13,536
Raising funds				
Fundraising	1,691	1,390	491	3,572
Retail	1,325	911	453	2,689
	3,016	2,301	944	6,261
Total expenditure	12,221	4,585	2,991	19,797
		Raising funds £000	Charitable activities £000	Total 2022 £000
Support cost allocation				
Support staff costs		427	926	1,353
Premises, technology and other costs		517	1,121	1,638
		944	2,047	2,991

8. Auditor's remuneration

	2023 £000	2022 £000
Fees payable to the Charity's auditor and its associates for the audit of the Charity's annual accounts	17	16
Fees payable to the Charity's auditor and its associates in respect of: All non-audit services not included above	5	1

9. Staff costs

	2023 £000	2022 £000
Wages and salaries	12,719	11,494
Social security costs	1,217	1,023
Contribution to defined contribution pension schemes	992	896
TOTAL	14,928	13,413

The average monthly number of employees expressed as full-time equivalents during the year was as follows:	2023 number	2022 number
St Barnabas House	146	148
Chestnut Tree House	98	84
Education, quality & research	12	3
Income generation	99	103
Governance	1	1
TOTAL	356	339

The average number of persons on a headcount basis was 491 (2022: 472).

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:	2023 number	2022 number
In the band £60,001 – £70,000	5	1
In the band £70,001 – £80,000	2	-
In the band £80,001 – £90,000	3	4
In the band £90,001 – £100,000	1	2
In the band £100,001 – £110,000	1	-
In the band £150,001 – £160,000	1	-

The aggregate pension contributions made by the Charity on behalf of higher paid staff was £80,516 (2022: £53,696). The number of higher paid staff accruing benefits in defined contribution and defined benefit pension schemes was 6 and 5 respectively (2022: 2 and 4).

The total amount of employee remuneration and benefits received by key management personnel (defined as the Senior Leadership Team) was £594,052 (2022: £473,258).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 – £nil).

During the year ended 31 March 2023, expenses totalling £227 were reimbursed or paid directly to one Trustee (2022 – £nil) for subscriptions and travel expenses. Trustees' indemnity insurance of £4,984 (2022: £5,257) is paid by the Charity.

11. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Leasehold improvements	Motor vehicles £000	Fixtures, and fittings £000	Freehold property shops £000	Total £000
Cost or valuation							
At 1 April 2022	13,015	5,333	1,306	520	5,064	495	25,733
Additions	255	-	13	-	656	-	924
Disposals	(180)	-	-	(170)	(22)	-	(372)
At 31 March 2023	13,090	5,333	1,319	350	5,698	495	26,285

Depreciation							
At 1 April 2022	3,861	3,212	-	506	4,446	152	12,177
Charge for the year	467	173	68	14	370	19	1,111
On disposals	(180)	-	-	(170)	(22)	-	(372)
At 31 March 2023	4,148	3,385	68	350	4794	171	12,916

Net book value							
At 31 March 2023	8,942	1,948	1,251	-	904	324	13,369
At 31 March 2022	9,154	2,121	1,306	14	618	343	13,556

The Freehold property 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 £125,000, £220,000 and £150,000 respectively (total of £495,000) 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 £45,000, £124,716 and £142,500 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.

12. Fixed asset investments

	Listed investments £000	Cash dealing account £000	Total £000
Cost or valuation			
At 1 April 2022	27,493	1,563	29,056
Additions	2,527	(1,105)	1,422
Disposals	(7,564)	-	(7,564)
Revaluations	(2,448)	-	(2,448)
At 31 March 2023	20,008	458	20,466

Historic cost at 31 March 2023 was £19,411k (2022: £25,173k).

13. Debtors

	2023 £000	2022 £000
Other debtors	619	695
Prepayments and accrued income	1,395	1,380
	2,014	2,075

14. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	331	542
Other taxation and social security	287	263
Other creditors	134	163
Accruals and deferred income	308	296
	1,060	1,264

15. Statement of funds – current year

Unrestricted funds	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses)	Balance at 31 March 2023 £000
Designated funds						
Tangible fixed assets (at cost)	13,429	-	(1,083)	903	-	13,249
CTH capital development	1,500	-	-	(500)	-	1,000
STBH capital development	1,000	-	-	500	-	1,500
Service Development fund	10,721	-	-	(2,041)	-	8,680
Legacy Equalisation Fund	-	-	-	-	-	-
	26,650	-	(1,083)	(1,138)	-	24,429

The tangible fixed assets fund represents charitable funds invested in operational fixed assets (at cost). The assets will be used throughout the time of activity of the Charity. At 31 March 2023 this excludes £120k which is shown within the revaluation reserve to give the total tangible fixed asset value of £13,369k. Expenditure from the fund represents the annual depreciation on the deemed cost of those assets. The transfer into the fund relates to the element of the depreciation charge in excess of that charged on the historic cost and adjustments arising on disposals.

The CTH (Chestnut Tree House) capital development fund exists to support our children's hospice capital plan. This includes redevelopment of the children's wing, redesign of the children's activities and family areas and the renovation of office accommodation.

The STBH (St Barnabas House) capital development fund exists to support our adult hospice's capital plan. The main items of expenditure relate to improvements of the inpatient unit, together with a redesign of the Living Well centre, which promotes well-being amongst the population we care for.

The Service Development fund was set up to cover the anticipated budgetary challenges over the next three financial years. During this time, the Charity will explore how we can consolidate activities and diversify income streams in the current economic climate in order to cover the extraordinary cost pressures the Charity is facing.

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses)	Balance at 31 March 2023 £000
Other unrestricted funds						
General funds	16,041	17,285	(18,277)	1,547	-	16,596
Revaluation reserve (tangible fixed assets and investments)	4,010	-	-	(409)	(2,426)	1,175
	20,051	17,285	(18,277)	1,138	(2,426)	17,771
Total unrestricted funds	46,701	17,285	(19,360)	-	(2,426)	42,200

Statement of funds – current year (continued)

The transfers between the revaluation reserve and general funds relate to net gains and losses on investments that have now been realised, the element of the depreciation charge in excess of that charged on the historic cost and any adjustments arising on tangible fixed asset disposals.

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 March 2023 £000
Restricted funds						
Operating and equipment funds	1,046	172	(291)	-	-	927
Contracted income	1	917	(918)	-	-	-
NHS grant – adult hospice	-	1,418	(1,418)	-	-	-
Department of Health – children's hospice	-	577	(577)	-	-	-
NHSE	-	-	-	-	-	-
Hospice UK	-	-	-	-	-	-
HEE Funded Activity	-	100	-	-	-	100
NHS Sussex Integrated Care Board	-	54	-	-	-	54
Total restricted funds	1,047	3,238	(3,204)	-	-	1,081
Total funds	47,748	20,523	(22,564)	-	(2,426)	43,281

The adult and children's hospice 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 designated funds held as tangible fixed assets.

The NHS grant (NHS Coastal West Sussex) is provided to cover partial operating costs of the adult hospice and the NHS Department of Health grant is provided to cover partial operating costs in the children's hospice.

Coastal West Sussex CCG and Local County Councils provide contracted income for adults and children respectively for the relevant hospice. The contracted income fund represents specific income towards the Hospice at Home service and Funded Nights.

HEE (Health Education England) and NHS Sussex Integrated Care Board restricted funds represent grants from these organisations to support costs of providing training for the palliative and end of life care workforce across Sussex.

Statement of funds – prior year

Unrestricted funds	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 March 2022 £000
Designated funds						
Tangible fixed assets (at cost)	13,767	-	(870)	532	-	13,429
CTH capital development	434	-	-	1,066	-	1,500
STBH capital development	1,500	-	-	(500)	-	1,000
Service Development fund	-	-	-	10,721	-	10,721
Legacy Equalisation Fund	5,908	-	-	(5,908)	-	-
	21,609	-	(870)	5,911	-	26,650

Previously the Charity held a designated Legacy Equalisation Fund. This fund represented the risk to our legacy receipts in any one year and was used to make up any shortfall in the legacy budget in future years by transfer to the general unrestricted fund. As the basis of our reserves policy has changed to a risk-based approach, the calculation of the risk associated with legacies is now included in the overall risk calculation. Therefore, this fund has been transferred to the unrestricted general fund.

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 March 2022 £000
Other unrestricted funds						
General funds	22,672	13,672	(14,707)	(5,596)	-	16,041
Revaluation reserve (tangible fixed assets and investments)	2,699	-	-	(315)	1,626	4,010
	25,371	13,672	(14,707)	(5,911)	1,626	20,051
Total unrestricted funds	46,980	13,672	(15,577)	-	1,626	46,701

Statement of funds – prior year (continued)

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 March 2022 £000
Restricted funds						
Operating and equipment funds	143	1,245	(342)	-	-	1,046
Contracted income		870	(869)	-	-	1
NHS grant – adult hospice		1,394	(1,394)	-	-	-
Department of Health – children's hospice		642	(642)	-	-	-
NHSE		739	(739)	-	-	-
Hospice UK		234	(234)	-	-	-
HEE Funded Activity	-	-	-	-	-	-
NHS Sussex Integrated Care Board	-	-	-	-	-	-
	143	5,124	(4,220)	-	-	1,047
Total funds	47,123	18,796	(19,797)	-	1,626	47,748

The NHSE grant was restricted towards the hospice providing patient care to support the NHS COVID-19 response. NHSE awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the COVID-19 situation.

The Hospice UK grant was restricted towards providing patient care to support the NHS COVID-19 response.

16. Analysis of net assets between funds

<i>Analysis of net assets between funds – current year</i>	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	13,369	13,369
Fixed asset investments	-	20,466	20,466
Current assets	1,081	9,425	10,506
Creditors due within one year	-	(1,060)	(1,060)
Total	1,081	42,200	43,281
<i>Analysis of net assets between funds – prior year</i>	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	13,556	13,556
Fixed asset investments	-	29,056	29,056
Current assets	1,047	5,353	6,400
Creditors due within one year	-	(1,264)	(1,264)
Total	1,047	46,701	47,748

17. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £000	2022 £000
Net income/expenditure for the year (as per Statement of Financial Activities)	(4,467)	625
Adjustments for:		
Depreciation charges	1,111	870
Loss/(gain) on investments	2,448	(1,626)
Dividends, interests and rents from investments	(830)	(861)
Increase in stocks	(3)	(3)
Decrease/(increase) in debtors	61	(339)
Decrease in creditors	(204)	(651)
Net cash used in operating activities	(1,884)	(1,985)

18. Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash at bank and in hand	1,909	2,303
Notice deposits (less than 3 months)	6,563	2,005
Total cash and cash equivalents	8,472	4,308

19. Analysis of changes in net debt

	At 1 April 2022 £000	Cash flows £000	At 31 March 2023 £000
Cash and cash equivalents	4,308	4,164	8,472
Total	4,308	4,164	8,472

20. 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 St Barnabas 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.

21. Operating lease commitments

At 31 March 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £000	2022 £000
Not later than 1 year	196	193
Later than 1 year and not later than 5 years	384	303
Later than 5 years	18	30
	598	526

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2023 £000	2022 £000
Operating lease rentals – land and buildings	536	435

22. Related party transactions

During the year the Charity made the following related party transactions:

St Barnabas Hospices (Sussex) Trading Ltd (a wholly owned subsidiary)

The turnover of the subsidiary is generated from sales at shops owned by the Charity. Income of £165,986 (2022: £160,621) was received by the Charity on behalf of the subsidiary. Associated costs were recharged by the Charity to the subsidiary of £83,025 (2022: £72,249). Gifted income of £37,382 (2022: £42,220) was received from the subsidiary. At the balance sheet date, the amount due to the Charity was £16,608 (2022: £13,592).

Leo House Children's Hospice

During the year, the Charity received £nil (2022: £75k) from Leo House Children's Hospice. This was receipt of a grant for the work carried out by community nurses at Chestnut Tree House. This grant arrangement has been in place for a number of years. Mr A Clark is a Trustee of both Leo House and St Barnabas Hospices (Sussex) Limited. The grant agreement was already in place before Mr A Clark was appointed a Trustee for the Charity.

23. Controlling party

The Trustees are the controlling party.

24. Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company Number	Registered office or principal place of business	Principal activity
St Barnabas Hospice (Worthing) Projects Limited	3827427	St Barnabas House, Titnore Lane, Worthing	Dormant
St Barnabas Hospices (Sussex) Trading Limited	07157835	St Barnabas House, Titnore Lane, Worthing	Retail

Class of shares	Holding
Ordinary	100%
Ordinary	100%

The financial results of the subsidiaries for the year were:

Names	Income £000	Expenditure £000	Profit/(Loss) / Surplus/ (Deficit) for the year £000
St Barnabas Hospices (Sussex) Trading Limited	193	(156)	37

25. Post balance sheet event

At 3 October 2023 the market value of investments had fallen by 4.1% from the value shown in the balance sheet. It continues to be a challenging period for investment performance, however the Trustees remain comfortable with the split between short- and long-term investments, with the long-term investments focused on delivering a regular stream of income and targeting capital growth on a multi-year view. The Charity has processes in place to regularly review asset allocation and the performance of our investment manager.



St Barnabas House

Registered Office:
Titnore Lane
Worthing
West Sussex
BN12 6NZ

Tel: **01903 706300**
info@stbh.org.uk
www.stbarnabas-hospice.org.uk

Chestnut Tree House

Dover Lane
Arundel
West Sussex
BN18 9PX

Tel: **01903 871800**
hello@chestnut.org.uk
www.chestnut-tree-house.org.uk

Charity no. 256789. Company no. 00930107

