

Company no. 01494909  
Charity no. 280093

**Prospect Hospice Limited**  
**Report and Audited Financial Statements**  
**31 March 2023**

## Prospect Hospice Limited

### Reference and administrative details

For the year ended 31 March 2023

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| <b>Company number</b>                            | 01494909  |
| <b>Charity number</b>                            | 280093  |
| <b>Registered office and operational address</b> | Moormead Road<br>Wroughton<br>Swindon<br>Wiltshire<br>SN4 9BY   |
| <b>Patrons</b>                                   | Jonathan Wilkes<br>Helen Browning<br>Sarah Troughton  |
| <b>Trustees</b>                                  | Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:<br>Robin Bailey                      resigned 26 September 2022<br>Pradeep Bhardwaj<br>Sheila Bryant<br>Eleanor Butler<br>Caroline Hallatt                  resigned 26 September 2022<br>Kevin Howard<br>Helen Jones                        appointed 26 September 2022<br>Sarah Jones<br>Joseph Lewis<br>Julie Marshman                  appointed 26 September 2022<br>Jennifer Seavor                  resigned 26 September 2022<br>Penny Tidbury                    resigned 26 September 2022<br>Shelley Whitehead                resigned 26 September 2022<br>Lindsay Whittam                 resigned 26 September 2022 |
| <b>Chief executive officer</b>                   | Irene Watkins                      resigned 31 March 2023<br>Jeremy Lune                        appointed 1 May 2023  |
| <b>Senior leadership team</b>                    | Helen Baxter                      Director of Finance<br>Carolyn Bell                        Director of Patient Services<br>Warren Finney                      Director of Community Development<br>Jo Hollingsworth                  Director of People   |
| <b>Medical director</b>                          | Sheila Popert   |
| <b>Bankers</b>                                   | HSBC plc<br>Unit 6<br>The Lock<br>Canal Walk<br>Swindon<br>SN1 1LD  |

**Prospect Hospice Limited**

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**For the year ended 31 March 2023**

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**Investment managers**

CCLA  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

Vanguard Investments UK Limited  
The Walbrook Building  
25 Walbrook  
London  
EC4N 8AF

**Auditors**

Godfrey Wilson Limited  
Chartered accountants and statutory auditors  
5th Floor Mariner House  
62 Prince Street  
Bristol  
BS1 4QD

## **Prospect Hospice Limited**

### **Report of the trustees**

#### **For the year ended 31 March 2023**

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The trustees present their annual report together with the audited financial statements of Prospect Hospice Limited for the year 1 April 2022 to 31 March 2023. This report incorporates the strategic report as required by company law.

#### **Objectives and activities**

##### **a. POLICIES AND OBJECTIVES**

The charity's objects are restricted to the provision of specialist end-of-life care, including physical, psychological, social and spiritual care and otherwise in such ways as the charity shall from time to time think fit and, in particular (but without prejudice to the generality of such objects):

- a) by establishing, maintaining and conducting facilities in England for the reception and care of persons who require end-of-life care, whether provided in such facilities or in their own home;
- b) by conducting or promoting or encouraging research into the care and treatment of persons suffering from any such illness, infirmity, disability or disease and particularly into the care and treatment of persons suffering from cancer or any terminal illness and disseminating the results thereof to the public; and
- c) by promoting, encouraging or assisting in the teaching or training of doctors, nurses, physiotherapists and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services.

Prospect Hospice's vision is excellent, personalised and compassionate care for everyone affected by a life-limiting illness. The charity's mission is to lead, provide and influence excellent care, so that everyone affected by a life-limiting illness can access specialist personalised care when and where they need it. We work with our community to ensure that our vision and mission remains relevant to their needs.

##### **b. ACTIVITIES FOR ACHIEVING OBJECTIVES**

Prospect Hospice's principal activities are to provide timely and responsive care and support for people living with and dying from advanced and progressive life-limiting illness. This is achieved through:

- An in-patient facility providing respite care, symptom control and care at the very end of life which the hospice operates on a flexible model based on patient demand;
- Day Therapy services for outpatients;
- Prospect@Home service, providing practical support and nursing care for up to 24 hours a day, in patients' own homes;
- Community based clinical nurse service providing advice, support and information for patients at home and in local care homes;
- Consultant-led medical team providing expertise across the range of hospice services and locations including home visiting;
- Rehabilitation services including physiotherapy, occupational therapy and dietary advice;
- Practical and psycho-social support services to patients, families, and carers provided through a family support team. Their work extends to providing support for carers and people who have been recently bereaved;
- A range of complementary and creative therapies;
- Spiritual support service for patients and their families;
- Care services delivered by a multi-professional team for patients living with lymphoedema; and
- Education and training on end-of-life care and support for health and social care professionals.

## **Prospect Hospice Limited**

### **Report of the trustees**

**For the year ended 31 March 2023**

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#### **Highlights in the year**

2022 saw the emergence of a more 'normal' hospice following the pandemic. Our mass participation events started to take place once again which meant we were better able to raise the vital funding needed to pay for the running of our much needed services.

While fundraising activities were able to return, the hospice's financial position remained a concern as we didn't know how the public would respond. 75% of our income is generated by our community but many had struggled during the pandemic and were now faced with a cost of living crisis. While we knew they wanted to support us, we also knew many simply wouldn't be able to.

However, the community we serve is incredible and this was reflected in the support they gave us when we increased the price of our lottery – something we had not done since its inception over 20 years ago. While we did naturally see some people leave our lottery, many stayed with us and helped us to double the annual income of our lottery to over £750k.

Volunteers also returned to many of the positions that they'd been unable to carry out and have been delighted to return to their roles to support the hospice, including in our Heart of the Hospice café which reopened to the public after being closed for over 900 days.

Clinically, the pandemic continued to impact our patient care as many of the restrictions remained in place for clinical settings. Nevertheless, we were able to gather groups of our patients and carers together for support sessions again and we were able to provide more care in homes and out in our community. Our control measures mean that we have not had any Covid-19 outbreaks in our care settings.

To improve patient care and link with other local care providers, we have implemented SystmOne to hold integrated patient records. This has significantly improved access to the most current and accurate patient information, freeing our nursing staff to focus on what they do best: care for patients.

In 2022 we worked with our staff to refresh the strategic direction for the charity. Using their knowledge and expertise to define how we can better support our patients and their families over the next five years. With this we are focused on engaging our community early in the conversations to destigmatise death and dying.

The new vision of the hospice focuses on creating a community where death is no longer a taboo; where everyone lives and dies well. This is supported by our mission to work with and through others, using our skills and expertise so that people have a choice and support at the end of their life. To achieve this, we work with our community to ensure that our work remains relevant to their needs.

In line with this new strategy, we also unveiled a new brand for the hospice; elevating the charity to reflect the outstanding professionalism of our care. The new look and feel reflects the evolution of our work, combining elements that the hospice is well known for to create a brand that reflects the charity now and where we aspire to be in the future.

At the end of March 2023, we said goodbye to our chief executive, Irene Watkins. Irene led the hospice team through our most challenging times and to achieve an outstanding CQC assessment.

We truly value her contribution and wish her well. Her replacement, Jeremy Lune, will join the charity in May 2023.

## **Prospect Hospice Limited**

### **Report of the trustees**

#### **For the year ended 31 March 2023**

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Other notable achievements in the year include:

- Developing our exceptional internal catering capability to provide a 'food to order' service for our community that provides additional income;
- Replacing our aging and costly diesel vans with green electric vans;
- Expanding our education team to allow us to expand our training offering for staff and other healthcare professionals with a potential for further income; and
- Growing our leading research in the use of virtual reality in pain relief.

#### **MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT**

Under the Charities Act (2011), all charities must have charitable purposes or aims that are for the public benefit. The Charities Act sets out thirteen aims which are recognised for charitable purposes, of which Prospect Hospice meets three – the advancement of health, the relief of those in need by ill health or disability, and the advancement of education. All services provided to patients, families and carers are free of charge to the user.

The trustees refer to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives.

#### **Achievements and performance**

While we expected it to take at least 12 to 18 months to financially recover from the pandemic, this has been exacerbated by the cost of living crisis. While the hospice income has improved thanks to all our shops being open and events taking place, we have again had to prioritise where our income is best used.

We managed to deliver our patients services this year thanks to the generosity of our community, however a large portion of this came from over £1m donated via gifts in wills to the charity – income we can't always guarantee. Over the last few years, we've been unable to rely solely on our fundraising and retail generation activities and gifts in wills have often filled the income gap. While we plan to actively promote how much legacy does to help care for local people (around one in five patients at the hospice is cared for thanks to a legacy), we recognise that this is a very volatile income stream. We know our future is dependent upon growing our sustainable income streams.

#### **Supporting patients and families**

We are focussed on ensuring that our patients continue to receive outstanding care. While some Covid-19 restrictions were still in place for healthcare workers, our staff are now well versed in their implementation. They have taken advantage where they can and have ensured that our patient care has never been compromised. Thanks to the diligence of our staff, we have had no Covid incidents.

During the year, there were 1,497 new patients registered with the hospice. 208 of these were admitted to our inpatient unit (IPU) to help care for those with more complex needs. The rest were cared for in the community, mainly in their own homes. Each month, on average, 690 patients received support from the hospice in some way. Overall, there were 1,523 patient contacts.

With the support of NHS funding, we have extended our Single Point of Contact (SPoC) service to 7 day working. This service has demonstrated improved collaboration between service providers, helping coordinate care provision to the benefit of patients whilst relieving the load on staff.

## **Prospect Hospice Limited**

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We have also introduced new posts in the clinical team. Specifically, a quality lead with responsibility for leading and developing quality and audit across clinical services. This post is leading engagement with the Bath and North East Somerset, Swindon and Wiltshire Integrated Care Board (BSW) quality improvement network. They will be rolling out a new model of quality improvement in line with the NHS ensuring we're all aligned and talking the same language. This role is a key part of ensuring we retain our 'Outstanding' status with CQC.

Other key achievements this year included:

- Presentations at Hospice UK conference demonstrating:
  - Our innovative work in neuro-respiratory therapy and frailty; and
  - The use of virtual reality to relieve pain.
- Stepped up beds to relieve wider pressures across the NHS;
- Introduced 'reflect and restore' sessions for staff as part of wider wellbeing support;
- Began hosting memory cafes in conjunction with Swindon Borough Council; and
- Developed new relationship with Treehouse to work with bereaved children.

#### **What our patients and their loved ones say about Prospect Hospice**

##### **Kim**

"We and the Prospect Hospice staff thought Pete [Kim's husband] would probably pass within a few days, but although he was semi-conscious, he was still with us the following Saturday. One of the brilliant things was that we could stay in one of the charity's lodges on site, so we were close by all the time. And they really didn't mind that there were a lot of us in Pete's room – they completely got how important family was to Pete".

"Every minute we were there, the staff went above and beyond for us and Pete. They always made sure he was clean and tidy, which was important to him. It was our grand-daughter's birthday while he was there, and they were perfectly happy with 11 visitors and a roomful of balloons".

"On the Tuesday, they offered to wheel his bed out into the garden, and a robin flew down and perched on the end of his bed. It felt magical – I've loved anything with a robin on it ever since. And Pete's present to me – our dog, Lexi – was allowed to visit him and curl up on his bed".

"One of the things I'll never forget is that a Prospect Hospice nurse offered to shave him after he had died. That meant so much to me. I knew that he wouldn't want to look anything but smart, even in death – and while she did that two robins flew down and watched".

"Pete dying was the worst thing that had ever happened to me, but Prospect Hospice made it the best it could be". As soon as Pete arrived at the hospice in the ambulance they said 'Don't worry, it's going to be all right' and they made it right".

"Until you've experienced Prospect Hospice – especially the little things that aren't medically related but really, really matter to you – you can't imagine how important they are. We are so lucky to have them in our area – not everywhere has a hospice, after all. They made us feel as if we were at home – it felt as if they wrapped their arms around the whole family and hugged us all. We can never thank them enough for that."

##### **Rosina**

"My anxiety levels were through the roof – I didn't sleep for a week and didn't go out of the house. I was so anxious, I couldn't even walk upstairs – I just sat in the chair, not wanting to move".

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“Then the Prospect Hospice nurse suggested virtual reality. I’d used a VR headset before, with my grandson, and when I put it on David Attenborough got me to breathe in and out slowly, and I could feel myself relaxing immediately. I was in a forest. Then he asked me to find things like birds and butterflies, then to pick up a stone and throw it into the river, and follow the hoops it makes in the water. It’s very relaxing“.

“It literally took just moments to get used to it – and once I removed the headset afterwards I was really settled and calmed down. It enabled me to walk upstairs for the first time in days. I used it twice a day at first, but after a month I only needed to use it once a day, and now I don’t need it at all, as I can go back into that place anytime I want. I can go into the forest with David Attenborough anytime I want, without a headset, it’s so stuck in my mind“.

“VR helped me to get to grips with the fact that I’ve got a serious illness, and the breathing techniques it gave me helped an awful lot. I think for anyone who suffers anxiety as I did, this is a fantastic way of coping and getting through it.”

#### **Justin**

“Prospect Hospice called us really early on, and until then we hadn’t realised that they offer such a range of extra care and support. Once they told us how they could help, including supporting the children, we felt we could relax a bit“.

“We told our children, eleven-year-old Martha and eight-year-old Gabriel that their mum [Amy] was ill, straight away, and it was so reassuring to have Dave there to talk to them too. He is a lovely man.”

“We knew a couple of people who had been cared for in the hospice in the past, and Amy was adamant that was where she wanted to spend her last days, but she also wanted to have Christmas 2021 at home, and she did.

“It was a difficult time but once she got to Prospect Hospice everything was so much easier. I could be there whenever I wanted to be – visiting time was totally unrestricted – and once Amy was on a syringe driver, so her pain and symptoms were under control, her whole demeanour changed and she became herself again.”

“The staff said ‘you know her best – if you notice any changes or anything different, tell us and we can deal with it’. So when I told them she seemed more forgetful, they took her off one of the drugs and she became much more like ‘Amy’ again, which helped us all. The communications were brilliant“.

“We have since found some lovely peace in Prospect Hospice’s garden – we’ve got a stone from the Bluebell Walk there, which helps us feel close to her.”

#### **Investing in staff**

We know our staff are vital to the running of the hospice. They work incredibly hard to raise funds, inspire volunteers and deliver care to our patients. We are also acutely aware that we need a whole team to be able to deliver our care. While our nurses may be the ‘face’ of the hospice, seen by many, without everyone, including our HR, finance, education and facilities teams and more, our outstanding care just wouldn’t be possible. We know how hard they’ve all worked to combat the challenges of the pandemic and the cost of living crisis, both personally and professionally. We are proud that they continue to deliver excellence across all their roles to ensure that our patients receive the care they need and deserve.



## **Prospect Hospice Limited**

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It was therefore decided that we needed to reward staff, not only for their hard work during the last few years, but also to reflect the growing economic challenges that they were facing away from the hospice. It was unanimously agreed by the board that the staff should receive a pay increase. This was implemented in October 2022 for all staff in line with NHS baseline.

A staff survey carried out at the end of the year saw a 71% response rate with 100% of responders agreeing that if a friend or relative needed treatment, they would be happy with the standard of care provided by the hospice.

Further highlights from the survey include:

- 99% of staff feel happy when immersed in their work;
- 98% of staff find the work they do has meaning and purpose;
- 97% of employees agree that the care of patients/service users is the organisation's top priority;
- 93% would recommend Prospect Hospice as a place to work; and
- 92% of Prospect Hospice employees feel secure to raise concerns at work.

Continually investing in our staff is key. We are committed to development and training ensuring that staff are not only skilled to do their current job but are developing skills for the future. We are also investing in leadership development at every level with the introduction of bespoke leadership development programmes designed to further embed our culture and ASPIRE values and further develop compassionate leadership.

Making the hospice a great place to work and thrive is a key strategic objective of the next hospice strategy and the results of this recent survey show we're well on the way to achieving this.

#### **Income generation**

We entered this year with some trepidation as we didn't know how our community would respond to the cost of living crisis, however, while being conscious of this we had to take measures to secure the future of the hospice.

As already highlighted, this year, we made the decision to increase the price of our lottery from £1 to £1.50 per play and, as a result, have doubled the income from this to around £750k a year.

We have also worked hard with local businesses to secure partnerships that demonstrate good examples of corporate social responsibility. Arval UK has worked with us to provide electric vans for our retail team as well as a pool car for staff. They are also working with us to support our 2023 summer appeal. Imagine Cruising continues to be a big supporter of the hospice, donating our raffle prizes so all ticket sales can be redirected to patient care; they continue to support many of our events. Our focus is to build on these corporate relationships to ensure we continue to work together and grow our support from other local organisations.

Our retail team also performed exceptionally well over the last year bringing in £2m income from the sale of donated goods both in our shops and through our e-commerce platforms. Almost £47k of this was raised at new pop-up shops around the local area, including in the Swindon Designer Outlet – another corporate partner we have a growing relationship with. Furthermore, we were all delighted when our new Marlborough shop was voted one of the top 10 second-hand stores in the UK in the latest Country Life review during the summer of 2022.

## **Prospect Hospice Limited**

### **Report of the trustees**

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##### **Volunteering**

As volunteering opportunities returned after the pandemic, the hospice has received a steady stream of enquiries about joining our team. To generate these enquiries, we have re-established links with local community agencies who refer a diverse range of potential volunteers to us so we can match them to a role that suits their skills and preferences. Patient-facing roles remain very popular and we have delivered four cycles of our comprehensive inpatient volunteer training programme in the last year.

In the autumn we held our first volunteer conference for a number of years, with the support of Nationwide, who provided a venue and on-the-day support. Sixty volunteers attended and were keen to learn about the hospice's new strategy and to explore how their contribution fitted into the bigger picture. Feedback was overwhelmingly positive, with delegates keen to share their learning with their volunteer colleagues. We were also able to hold our first face to face long service awards ceremony in three years where we honoured thirteen volunteers who, between them, had contributed a total of 270 years' service to the charity.

Working with partner organisations, our volunteers are also supporting a regular Wroughton memory café, hosted by the hospice in conjunction with Swindon Borough Council. We are in the process of developing a series of volunteer-led bereavement help points with Carer Support Wiltshire.

##### **Investing in new technology**

Our move to SystmOne, which hosts our patient database, was completed this year and allows us to connect with other healthcare providers to give us a real time view of our patients' care. Compared to our previous software, SystmOne has the advantage of providing direct links to many GP surgeries in our area which is supporting more effective patient care and support because we can share patients' records. Staff have provided feedback to say this is having a positive effect on the way they manage a patient's care as we have immediate access to GP and healthcare records.

Over the last year we have worked with our patients to further the use of virtual reality headsets to help manage their pain and reduce their reliance on opioids. Patient feedback has been incredibly positive with many saying that they become immersed in a new world and forget about the pain while using it. They've also said that, after using it, they feel their anxiety and pain levels are much lower and they're able to use the techniques they've learnt to help even when they're not using the headset. Our medical director presented the findings from this innovative work at the Hospice UK conference in November 2022.

With the support of Nationwide, we also introduced TV screens into our shops at the end of this year and invested in software that would share information to these from a central location within our communications team. This will allow us to screen timely information to our customers demonstrating ways they can support us, thanking them for supporting us and sharing stories of those they help to support.

We are aware that our IT infrastructure is dated and inadequate to support the future of the organisation. We've been working across the organisation to understand our needs and intend to refresh our IT systems in line with those needs to ensure we have sustainable systems for the foreseeable future.

## **Prospect Hospice Limited**

### **Report of the trustees**

#### **For the year ended 31 March 2023**

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##### **Environmental impact**

At the hospice we recognise that, while we must be a financially sustainable organisation, we also have a part to play in reducing our waste and being more environmentally sustainable.

This year we invested in environmentally friendly electric vans to replace our costly diesel ones that deliver goods to our shops. While much of the work to secure a new partnership for these was completed in the previous year, the new branded vehicles hit the road in the first quarter of this year.

The zero emissions vehicles have been donated to the hospice by Arval UK and will help ensure our shop teams are more efficient as they will no longer need to stop to refuel and can charge up at the distribution centre overnight for the next day. While being more environmentally friendly, the new vans will also help us cut down on the cost of fuel, redirecting that spend to patient care.

We also began a trial of recycling hospice waste to ensure we were sending as little as possible to landfill and we've installed new printers that enable printing only when staff scan their ID card which is reducing the amount of paper we use.

Alongside the environmental benefits, reducing our energy bills is a key target of the hospice and, to aid this, work has begun in our shops to reducing our carbon footprint by replacing old and expensive lighting with highly efficient LED lighting.

##### **Financial review**

###### **a. GOING CONCERN**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

###### **b. PRINCIPAL RISK AND UNCERTAINTIES**

The principal risks and uncertainties identified by the trustees are:

###### **Post pandemic income recovery timeline**

Whilst the performance of 22/23 exceeded expectations by £528k we recognised that we continue to face significant challenges. Current budgeting assumptions indicate a deficit of between £0.8 and £1.1m. This presents a significant challenge to our existing retail and fundraising efforts, but we have already initiated additional fundraising streams; catering services for instance. We have been successful in developing funding for our services through Hospice UK and expect to open more shops in the year ahead.

In line with our refreshed strategy, we will be reviewing opportunities for collaboration that provide efficiencies and improvements.

Nevertheless, we continue to closely monitor expenditure and investments to ensure we can continue to deliver our exceptional care services for those that need it.

## **Prospect Hospice Limited**

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##### **Recruitment and retention of staff**

Our success over the last year is down to the hard work of our staff. The current job market means that staff retention and recruitment is a significant factor in our continued success. We are focussed on working with existing staff to ensure a positive organisational culture; one where our staff feel valued and supported and where they enjoy coming to work. Despite the financial challenges we have faced in 22/23, the trustees agreed to a staff pay award in October 2022 to recognise the impact of the cost of living crisis on our staff. We continue to review salaries so to ensure we retain the commitment of our current staff and can recruit the staff we need for the sustainable future of the hospice.

##### **Provision of services**

Commitment of our staff and focus on efficiency means we have managed the challenging finances of the year without the need to reduce our services. We have set ambitious but achievable financial targets for the year ahead to enable our services to continue. The cost of care continues to be a challenge and we expect to see more people needing our support. We are mindful that our charitable objects are sacrosanct and we will focus on ensuring our core services are sustainable.

#### **c. FINANCIAL OVERVIEW**

The financial performance of the charity is set out in the attached financial statements.

The result stated on page 24 is a net income of £528k compared to a net cost of £138k in the previous year. This result presents the continued pressures on sustainable income streams despite the significant improvements in the returns from both retail and events fundraising. Higher than planned legacy income and the extended winter pressures statutory income have contributed to the in-year surplus. Nevertheless, the continued macro-economic uncertainty has had an impact on the charity's investment portfolio, with an overall net unrealised loss in the year of £76k compared to a gain of £338k in the previous year.

##### **Incoming resources**

As set out on page 24, total incoming resources, including income from charitable activities, was £8,162k for the year (£7,228k in 21/22).

##### **Resources expended**

Prospect Hospice's expenditure on a recurring basis (set aside) to provide care and support for patients, families and carers was £4,883k a reduction of £365k over the previous year. Expenditure in generating voluntary income was up on the previous year as a direct consequence of the increased income.

#### **d. RESERVES POLICY**

In line with the Charity Commission Guidance (Charities Reserves CC19), the trustees are aware of the need to secure the viability of Prospect Hospice beyond the immediate future.

It is the policy of the hospice to aim to keep up to six months of future operating costs as free reserves and as an absolute minimum to keep a level of reserves sufficient to meet its liabilities in the event of a winding up of the organisation. The trustees will keep the level of reserves under continuous review. If the level of free reserves falls below the policy level, the trustees will review all reserves and their purpose and may choose to transfer previously designated reserves into free reserves to enable them to utilise where most needed for the provision of the hospice's charitable aims.

## Prospect Hospice Limited

### Report of the trustees

#### For the year ended 31 March 2023

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As outlined in the financial statements as at 31 March 2023 general reserves were £6,389k, an increase of £526k during the year. Of this total £1,145k relates to unrestricted fixed assets and £452k in investment land. The remaining balance of £4,792k represents approximately 6.6 months of future operating expenditure. The reserves policy also allows for the designation of funds at the trustees discretion. As at the 31 March 2023 designated funds were at £100k.

#### **e. MATERIAL INVESTMENTS POLICY**

The trustees have taken note of the guidance given by the Charity Commission in their booklets “Charities’ Reserves (CC19)” and “Trustee Act 2000”. As at 31 March 2023 the investment portfolio had a market value of £3.8m (2022: £3.9m). The investment strategy is set out below:

- The hospice seeks to produce the best financial return on investments within an acceptable level of risk;
- The hospice adopts a total return approach to investment for its general fund portfolio, generating an investment return from income and capital gains or losses. It is expected that if in any one year the total return is insufficient to meet the budgeted expenditure, in the long term the real value of the fund will still be maintained in accordance with the investment objective above;
- The investment objective is to generate a total return of inflation plus 4% per annum over the longer term, after expenses. The hospice does not set a specific target income level. Income from the long-term general fund will be used to fund the activities of the hospice. An expected level of income will be agreed with the investment managers on an annual basis to enable effective budgeting;
- The general portfolio is to be invested in a diversified portfolio of assets according to the strategic allocation ranges that are to be set and regularly reviewed by trustees;
- A key risk to the long-term sustainability of the hospice is inflation, and the portfolio should be invested primarily in equities to mitigate this risk over the long term. The trustees understand that when investments are concentrated primarily in equities, the capital value of the portfolio will fluctuate. The trustees are able to tolerate volatility of the capital value to the long-term general fund portfolio, as long as the hospice is able to meet its short-term spending commitments through their income or liquid capital assets; and
- The trustees understand that the main portfolio might lose up to 30% of its value over 12 months due to market volatility (based on the initial strategic asset allocation and historical data for the respective investment instruments). Such a loss is generally expected to be recovered over time through the investment cycle. Trustees will require the investment managers to control volatility of the main portfolio, which should not exceed 70% rate of volatility of the global equity market (measured as FTSE All World Index).

Additionally £452k is held as investment land as at 31 March 2023, this valuation is unchanged from March 2022.

Restricted funds are held in accordance with the accounting policy which is set out on page 28.

### **Structure, governance and management**

#### **a. CONSTITUTION**

The charity and the group is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 1 May 1980.

Prospect Hospice Limited (the charity) is a registered charity, and is constituted as a charitable company limited by guarantee and does not have a share capital.

## Prospect Hospice Limited

### Report of the trustees

#### For the year ended 31 March 2023

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The charity has a wholly owned trading subsidiary, Prospect Hospice Trading Limited, which is a retailer of new goods and operates the café within the Hospice. The subsidiary company produced a trading profit of £15.1k in the year.

#### **b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the charity and the group is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

The charity's board of trustees regularly reviews the mix of its skills, and if any needs are identified then applicants with relevant skills and backgrounds who are eligible to meet the required time commitment are sought and recruited. This year, the board has anticipated forthcoming gaps in its skills mix that would arise through the rotation and retirement of longstanding trustees and has already recruited trustees to fill these skills and knowledge gaps.

The board of trustees constitutes a broad cross section of people with healthcare and business skills and experience, reflecting the work of the Hospice.

The board interviews applicants for trustee vacancies, and their suitability is evaluated against a pre-agreed set of criteria, set by a nominations committee of existing trustees.

On appointment, trustees are invited to attend induction training alongside new recruits to the hospice's staff and volunteer group.

All trustees are offered a tailored induction programme to aid with familiarisation of the charity and their responsibilities as trustees.

#### **c. PAY POLICY FOR STAFF**

Despite the financial challenges presented to us, trustees are committed to ensuring that all staff are fairly rewarded in line with the market. Covid-19, and the subsequent cost of living crisis has severely impacted on the recruitment market and pay and we have seen significant increases in the national living wage. In April 2022 we implemented the new living wage rates only, increasing our lowest pay point by 4.2%. In October 2022 we implemented a cost of living increase of 3%, plus a consolidated £1,400 added to every pay point. This realigned the hospice with NHS agenda for change which is important for recruitment and retention of clinical staff. This brought our lowest pay point to 4% above the national living wage at the time. In addition, to support staff with the huge increase in winter fuel bills and cost of living, we implemented a £600 (pro-rata) non-consolidated payment for staff in December 2022.

#### **d. ORGANISATIONAL STRUCTURE AND DECISION MAKING**

Responsibility for the charity's overall strategy, the monitoring of its progress, the management of risk and legal compliance rests with the board of trustees, which meets every 3 months.

In addition, committees reporting to the full board on Patient Services, Finance & Income Generation, Audit & Risk, and People & Resources also meet on a regular basis. Following a review of committees this year, it was decided that the Finance and Income Generation and the Audit and Risk committees would combine to form the Finance, Income Generation and Audit and Risk committee. The structure of these committees continues to be reviewed to ensure they are aligned to the governance needs of the organisation.

## Prospect Hospice Limited

### Report of the trustees

#### For the year ended 31 March 2023

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The board of trustees makes all corporate policy, strategy and budget decisions, with day-to-day responsibility for the running of the organisation delegated by the board to the Chief Executive.

#### **e. RISK MANAGEMENT**

The trustees have assessed, and regularly (quarterly) assess, major risks to which the charity and the group is exposed, in particular those related to the operations and finances of the charity and the group, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks identified.

Under the risk management policy, potential risks to the organisation are identified and reviewed regularly.

Clinical governance is given significant attention to ensure that the Hospice complies with all relevant legislation and best practice.

External consultants are engaged to provide increased support on risk management and health and safety matters as and when required.

The Finance, Income Generation, Audit and Risk committee (FIGAR) reviews all aspects of risk and reports to the board of trustees each quarter.

#### **f. FUNDRAISING**

The Charities Act (Protection and Social Investment) 2016 came into effect in November 2016. It states requirements for annual statements about fundraising and these are covered below:

#### **The charity's approach to fundraising activity, and in particular whether a professional fundraiser or commercial participant was used:**

Prospect Hospice's approach to fundraising is to ensure that any direct fundraising expenditure incurred will maximise a return on investment whilst maintaining excellent relationships with supporters, reflecting best practice within the sector and protecting the vulnerable.

We engaged the services of an external consultant to review our income generation activity following the pandemic and to inform our future strategy.

To help secure further members of our lottery, we also contracted a professional canvassing agency which provided their employees for door to door and retail canvassing. We did not employ any telephone marketing agencies to canvas for new members.

#### **Details of any voluntary fundraising schemes or standards, which the charity or anyone fundraising on its behalf has agreed to:**

Prospect Hospice is a member of the Fundraising Regulator. We pay the voluntary levy and agree to maintain compliance to the regulations.

We have a supporter promise on our website.

#### **Whether and how the charity monitored fundraising activities carried out on its behalf:**

Fundraising activities are monitored by the Finance and Income Generation Committee made up of trustees which reports to the board of trustees. Any contracts relating to Professional Fundraisers are scrutinised by the Director in charge of fundraising and reported by exception where necessary to the Committee.

## Prospect Hospice Limited

### Report of the trustees

#### For the year ended 31 March 2023

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#### **How many complaints the charity or anyone acting on its behalf has received about fundraising for the charity:**

We have a complaints procedure and all complaints are recorded. In 22/23 we received 10 complaints out of a total of 22,393 donations made by individuals and organisations that supported Prospect Hospice during the year.

Complaints are monitored by the Executive Team and the FIGAR Committee to identify trends, address complaints and ensure best practice is followed.

#### **What the charity has done to protect vulnerable people and others from unreasonable intrusion on a person's privacy, unreasonable persistent approaches or undue pressure to give. In the course of, or in connection with fundraising for the charity:**

Prospect Hospice has a clear Fundraising and Vulnerable Adults Policy, which our fundraisers adhere to. As part of this procedure, anyone identified as a vulnerable person will immediately be marked as not contactable on our database. We will only work with Professional Fundraisers who have their own clear Vulnerable Adults policy and who train their operators in how to deal with vulnerable adults. All complaints are reviewed and addressed in line with our complaints procedure.

#### **What the charity has done to ensure its fundraising activities comply with Data Protection legislation (GDPR):**

Prospect Hospice Income Generation team set up a working party to ensure the fundraising database and all data policies followed within the fundraising department are fully compliant with UK GDPR regulations, introduced in May 2018. This includes robust measures on how we contact supporters and how a supporter can change the way they hear from us.

### Plans for future periods

#### **Care and support**

Over the coming year we will continue to invest in our staff and in enhancing the outstanding care we offer. Our health care assistants will take part in the Bluebell Aspire training programme which will enable them to increase their knowledge and skills in end of life care.

We've also teamed up with New College to develop learning packages in their state of the art simulated learning suite to deliver training to our staff and their nursing students, helping to further the knowledge of our own staff and helping to train our colleagues of the future.

Prospect Hospice will also be adopting the lantern model of nursing care and we'll be working with the authors of this, from St Christopher's Hospice and the Florence Nightingale Trust, to embed this across all aspects of clinical care. Through this model, there's a real emphasis on establishing therapeutic relationships with patients and aspirations for care to constantly improve and evolve.

We also have ambitious plans to extend our services reflecting the changing needs of our patients which will include:

- Frailty care: Working with our community healthcare partners to create a virtual ward where we can work together to offer extended palliative and end of life support to those who need it. This work has been possible thanks to a frailty in end of life grant;
- Motor neurone disease (MND): We'll welcome a new MND coordinator who will work with local MND partners and the MND association to support patients in the area with MND; and
- Homelessness: Working with hostels in Swindon, we'll build on our work with homeless outreach to support those who are often hard to reach.



## **Prospect Hospice Limited**

### **Report of the trustees**

#### **For the year ended 31 March 2023**

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##### **Financial stability**

The financial sustainability of the hospice remains a high priority for the coming year as we try to return to business as usual. We know this is going to be tough as we are faced with many challenges, including the current cost of living crisis, high interest rates and energy prices to name but a few. The road to recovery will extend beyond the 23/24 financial year, however we are confident that we have the right strategy in place to strengthen and secure the future of the hospice.

In light of the challenges we face, current budget assumptions indicate a likely deficit for the year ahead, and we understand the challenges that presents. By re-investing the surplus funds achieved in 22/23, due mainly to higher than budgeted legacy income, we will continue to be here to support our community. During 23/24 we will be focussed on growing our income streams to enable us to be here for the community for many years to come.

To support this, we plan to increase income through a number of routes. We are aiming for retail income to increase this year with the opening of further shops in the local area as well as increasing our online sales income. As a community charity, we are dependent on the continued support of the community we serve; we know that this year is going to be just as hard for them as the last few. The economic forecast is that people will continue to struggle so we therefore need to make our case for support clear. We continue to investigate new commercial income streams as a means of bringing sustainable income to the hospice.

Long term, we'll be working on increasing our legacy work. Our community is not cash rich at the moment and may feel they can't do anything to support us. Leaving a gift in their will is something they can commit to now but won't cost them a penny today. We know this is a long term project and, while we won't see the income from this over the next year, it is work that needs doing now to ensure financial security in the future.

We know that these are extremely challenging times for all but the actions we have taken to date, and will in the future, have all been taken to increase income and secure our financial future.

##### **People**

The beginning of 2023 saw the start of a level of industrial unrest that has not been seen for decades. Coupled with the continuing cost of living crisis, the changing market and the increasing challenge of recruiting and retaining staff across all roles, the board made a proactive decision to implement a 5% cost of living increase for all employees on 1 April 2023. At the same time, we implemented the 10.2% increase in the national living wage, with the board deciding that we would retain our 4% differential above the national living wage. This proactive decision was welcomed by staff and provides certainty of staff costs for the year 23/24.

##### **Implementing Prospect Hospice's new strategy**

Over the last few years we've worked with staff, sought feedback from our patients and those important to them, learnt from the pandemic and used the evidence that most people wish to die at home, close to family and friends, to devise our new strategy for the next five years.

This new strategy focuses on a vision of creating a community where death is no longer a taboo and everyone lives and dies well. The mission supporting this is that we will work with and through others using our skills and expertise so that people have a choice and support at the end of their life.

## **Prospect Hospice Limited**

### **Report of the trustees**

#### **For the year ended 31 March 2023**

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Over the next five years, our objectives to achieve this are:

- Secure the continuity of Prospect Hospice charity for our community for generations to come;
- Deliver bespoke specialist care that supports dignity and choice;
- Use our expertise to educate and influence the delivery of excellence in end of life care; and
- Take pride in being a great place to work.

This has now been shared with staff and stakeholders and work has already begun on this.

#### **CHAIR'S CLOSING STATEMENT**

When we entered lockdown over three years ago, no one could have predicted that we'd be in the position we are now. We are still recovering financially and face new challenges from inflation and global fiscal uncertainty. Both our retail and fundraising income streams have exceeded expectations and continue to grow. These have been boosted by greater than expected legacy income so that we returned a surplus for the year.

Our continued and sustainable income has been the main concern of the trustees over the year. We have been focussed on ensuring the Prospect Hospice remains a going concern. Robust management of costs, supported by exceptional performance of both retail and fundraising, means that the trustees are assured that the Hospice is in a better financial position. The additional income from legacies means that the hospice reported a surplus of £528k at the end of the year. The trustees therefore have no hesitation supporting the assessment of going concern.

Despite this success, we have taken the opportunity to re-evaluate and look into new ways we might grow our business that doesn't simply rely on our existing incomes. We've already received positive feedback from our 'food to go' catering service and we'll be looking to further develop this and other commercial income streams to ensure the future of the hospice.

It's been tough, and it's not going to get any better soon, however, the one thing we can rely on is that our staff will continue to look at new ways of generating much needed income and that, when they can, our community will be there to support us in the best ways they can.

While it continues to be difficult, we have big ambitions for the future. Our clinical teams continue to learn and innovate the way they deliver end of life care and that will continue as we invest in further training to help individuals develop their skills and knowledge further.

We provide outstanding care to our patients which is not only reflected in our CQC assessment, but also through our patients and those important to them. We know we can't do it alone though and working with others is going to be incredibly important for us in the future. Our new strategy highlights this and demonstrates how we will, over the coming years, work with and through our partners to ensure our patients have choice and support at the end of their lives.

While the last few years have been challenging, we've learnt just how resilient we can be in times of trouble, and we've remained able to care for those who need us. We're able to bend and flex as the needs of our community changes and, while we know we may not be out of the tough times yet, we know we have the tools to be able to make it work and continue to provide outstanding care for our patients and their families.

## **Prospect Hospice Limited**

### **Report of the trustees**

**For the year ended 31 March 2023**

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#### **TRUSTEES' RESPONSIBILITIES STATEMENT**

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with 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).

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. In preparing those financial statements the trustees are required to:

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

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

#### **Disclosure of information to auditor**

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- So far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- That trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable group's auditor in connection with preparing their report and to establish that the charitable group's auditors are aware of that information.

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

**Prospect Hospice Limited**

**Report of the trustees**

**For the year ended 31 March 2023**

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**Auditors**

The auditors, Godfrey Wilson, have indicated their willingness to continue in office. The trustees will propose a motion re-appointing the auditors at the Annual General Meeting.

This report, including the strategic report, was approved by the board of trustees on 22 June 2023 and signed on their behalf by:

*Dr K Howard*

Kevin Howard - Chair

## **Independent auditors' report**

**To the members of**

### **Prospect Hospice Limited**

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#### **Opinion**

We have audited the financial statements of Prospect Hospice Limited (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, consolidated and parent balance sheets, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the group and parent charity financial statements and our auditor's report thereon. Our opinion on the group and parent charity 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.

## **Independent auditors' report**

**To the members of**

### **Prospect Hospice Limited**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of the trustees**

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

#### **Our 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.

## **Independent auditors' report**

### **To the members of**

#### **Prospect Hospice Limited**

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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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

## **Independent auditors' report**

**To the members of**

**Prospect Hospice Limited**

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### **Use of our report**

This report is made solely to the charity'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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Alison Godfrey*

Date: 26 June 2023

**Alison Godfrey FCA  
(Senior Statutory Auditor)**

For and on behalf of:

**GODFREY WILSON LIMITED**

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD



**Prospect Hospice Limited**

**Consolidated statement of financial activities** *(incorporating an income and expenditure account)*

**For the year ended 31 March 2023**

|   | Note | Restricted<br>£000  | Unrestricted<br>£000 | <b>2023<br/>Total<br/>£000</b> | 2022<br>Total<br>£000 |
|---|------|---------------------|----------------------|--------------------------------|-----------------------|
| <b>Income from:</b>                                       |      |                     |                      |                                |                       |
| Donations and legacies                                    | 3    | 230                 | 2,482                | <b>2,712</b>                   | 2,258                 |
| Charitable activities                                     | 4    | 2,502               | 47                   | <b>2,549</b>                   | 2,926                 |
| Other trading activities                                  | 5    | -                   | 2,869                | <b>2,869</b>                   | 2,043                 |
| Investments   | 6    | -                   | 16                   | <b>16</b>                      | 1                     |
| Other income  |      | -                   | 16                   | <b>16</b>                      | -                     |
| <b>Total income</b>                                       |      | <u>2,732</u>        | <u>5,430</u>         | <u><b>8,162</b></u>            | <u>7,228</u>          |
| <b>Expenditure on:</b>                                    |      |                     |                      |                                |                       |
| Raising funds:  |      |                     |                      |                                |                       |
| Voluntary income  |      | -                   | 576                  | <b>576</b>                     | 486                   |
| Fundraising trading                                       |      | -                   | 2,099                | <b>2,099</b>                   | 1,970                 |
| Charitable activities                                     |      | <u>2,830</u>        | <u>2,053</u>         | <u><b>4,883</b></u>            | <u>5,248</u>          |
| <b>Total expenditure</b>                                  | 8    | <u>2,830</u>        | <u>4,728</u>         | <u><b>7,558</b></u>            | <u>7,704</u>          |
| <b>Net income / (expenditure) before investment gains</b> |      | (98)                | 702                  | <b>604</b>                     | (476)                 |
| Net gains / (losses) on investments                       |      | -                   | (76)                 | <b>(76)</b>                    | 338                   |
| <b>Net movement in funds</b>                              | 9    | (98)                | 626                  | <b>528</b>                     | (138)                 |
| <b>Reconciliation of funds:</b>                           |      |                     |                      |                                |                       |
| Total funds brought forward                               |      | <u>1,286</u>        | <u>5,863</u>         | <u><b>7,149</b></u>            | <u>7,287</u>          |
| <b>Total funds carried forward</b>                        |      | <u><u>1,188</u></u> | <u><u>6,489</u></u>  | <u><u><b>7,677</b></u></u>     | <u><u>7,149</u></u>   |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 25 to the accounts.

**Prospect Hospice Limited**

**Consolidated balance sheets**

**As at 31 March 2023**

|  | Note       | The group<br>2023<br>£000 | The group<br>2022<br>£000 | The charity<br>2023<br>£000 | The charity<br>2022<br>£000 |
|--|------------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| <b>Fixed assets</b>                          |            |                           |                           |                             |                             |
| Tangible assets                              | 12         | <b>2,296</b>              | 2,389                     | <b>2,296</b>                | 2,389                       |
| Investment property                          | 13         | <b>452</b>                | 452                       | <b>452</b>                  | 452                         |
| Investments                                  | 14, 15, 16 | <b>3,827</b>              | 3,903                     | <b>3,827</b>                | 3,903                       |
|  |            | <b>6,575</b>              | 6,744                     | <b>6,575</b>                | 6,744                       |
| <b>Current assets</b>                        |            |                           |                           |                             |                             |
| Stocks                                       | 17         | <b>55</b>                 | 44                        | <b>51</b>                   | 40                          |
| Debtors                                      | 18         | <b>457</b>                | 1,500                     | <b>473</b>                  | 1,513                       |
| Cash at bank and in hand                     |            | <b>2,564</b>              | 1,476                     | <b>2,550</b>                | 1,462                       |
|  |            | <b>3,076</b>              | 3,020                     | <b>3,074</b>                | 3,015                       |
| <b>Liabilities</b>                           |            |                           |                           |                             |                             |
| Creditors: amounts falling due within 1 year | 19         | <b>974</b>                | 1,340                     | <b>972</b>                  | 1,335                       |
| <b>Net current assets</b>                    |            | <b>2,102</b>              | 1,680                     | <b>2,102</b>                | 1,680                       |
| Creditors: amounts falling due after 1 year  | 20         | <b>1,000</b>              | 1,275                     | <b>1,000</b>                | 1,275                       |
| <b>Net assets</b>                            | 24         | <b>7,677</b>              | 7,149                     | <b>7,677</b>                | 7,149                       |
| <b>Funds</b>                                 |            |                           |                           |                             |                             |
| Restricted funds                             | 25         | <b>1,188</b>              | 1,286                     | <b>1,188</b>                | 1,286                       |
| Unrestricted funds:                          |            |                           |                           |                             |                             |
| Designated funds                             |            | <b>100</b>                | -                         | <b>100</b>                  | -                           |
| General funds                                |            | <b>6,389</b>              | 5,863                     | <b>6,389</b>                | 5,863                       |
| <b>Total charity funds</b>                   |            | <b>7,677</b>              | 7,149                     | <b>7,677</b>                | 7,149                       |

Approved by the trustees on 22 June 2023 and signed on their behalf by

*Dr K Howard*



Kevin Howard - Chair

Sheila Bryant - Trustee

## Prospect Hospice Limited

### Consolidated statement of cash flows

For the year ended 31 March 2023

|   | <b>2023</b>                | 2022                       |
|---|----------------------------|----------------------------|
|   | <b>£000</b>                | £000                       |
| <b>Net cash provided by / (used in) operating activities</b>          |                            |                            |
| Net movement in funds   | <b>528</b>                 | (138)                      |
| <i>Adjustments for:</i>   |                            |                            |
| Depreciation charges  | <b>115</b>                 | 168                        |
| (Gains) / losses on investments                                       | <b>76</b>                  | (338)                      |
| Dividends, interest and rents from investments                        | <b>(16)</b>                | (1)                        |
| Loss / (profit) on the sale of fixed assets                           | <b>(17)</b>                | 131                        |
| Decrease / (increase) in stock  | <b>(11)</b>                | 10                         |
| Decrease / (increase) in debtors                                      | <b>1,043</b>               | (639)                      |
| Increase / (decrease) in creditors                                    | <b>(441)</b>               | 112                        |
| <b>Net cash provided by / (used in) operating activities</b>          | <b><u>1,277</u></b>        | <b><u>(695)</u></b>        |
| <b>Cash flows from investing activities:</b>                          |                            |                            |
| Dividends, interest and rents from investments                        | <b>16</b>                  | 1                          |
| Purchase of tangible fixed assets                                     | <b>(29)</b>                | -                          |
| Proceeds from the sale of property, plant and equipment               | <b>24</b>                  | -                          |
| <b>Net cash provided by / (used in) investing activities</b>          | <b><u>11</u></b>           | <b><u>1</u></b>            |
| <b>Cash flows from financing activities:</b>                          |                            |                            |
| Repayment of borrowing  | <b>(200)</b>               | -                          |
| Cash inflows from new borrowing                                       | <b>-</b>                   | 1,500                      |
| <b>Net cash provided in / (used in) financing activities</b>          | <b><u>(200)</u></b>        | <b><u>1,500</u></b>        |
|   | <b>-</b>                   |                            |
| <b>Increase / (decrease) in cash and cash equivalents in the year</b> | <b>1,088</b>               | 806                        |
| Cash and cash equivalents at the beginning of the year                | <b><u>1,476</u></b>        | <u>670</u>                 |
| <b>Cash and cash equivalents at the end of the year</b>               | <b><u><u>2,564</u></u></b> | <b><u><u>1,476</u></u></b> |

Analysis of net changes in debt are given in note 22.

## Prospect Hospice Limited

### Notes to the financial statements

#### For the year ended 31 March 2023

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#### 1. Accounting policies

##### a) Basis of preparation

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

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

The charity's functional and presentational currency is the pound sterling and the accounts are presented in round thousands.

##### b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-owned (controlled) subsidiary on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

##### c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. The trustees have taken into account the financial risks of continuing operations in a post-COVID world, and are satisfied that the strategies for income growth in place for 23/24 - 25/26, together with the built back reserves position at 31 March 2023 and the repayment of long term loan finance from July 2023 to limit exposure to interest rate risk, are sufficient to mitigate the operating risks. Further detail is provided in the trustees' annual report.

##### d) Income

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

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

## Prospect Hospice Limited

### Notes to the financial statements

#### For the year ended 31 March 2023

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#### 1. Accounting policies (continued)

##### d) Income (continued)

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of future events or lottery draws is deferred until the event takes place or the lottery draw is run and criteria for income recognition are met. Income from contracts received in advance of service delivery is deferred to the period to which it relates.

##### e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Donated goods for resale are recognised as income at their fair value upon receipt, which is deemed to be the expected proceeds from sale less the expected costs of sale. Any difference in the resale value is charged or credited to the statement of financial activities during the year.

##### f) 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 bank.

##### g) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. The net book value of buildings, and significant improvements to buildings, which are funded by restricted monies are treated as restricted.

## Prospect Hospice Limited

### Notes to the financial statements

#### For the year ended 31 March 2023

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#### 1. Accounting policies (continued)

##### h) Expenditure and irrecoverable VAT

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

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

Costs of raising funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Costs of charitable activities include those items that can be directly attributed to the activities and include a proportion of support costs.

In implementing the hospice strategic plan, where alongside continued direct delivery of high quality patient services, we seek to positively influence the care provided by other organisations and individuals, we need to understand where we are allocating and spending our budget against these aims. The hospice has continued to set out the allocation of costs by strategic aim, accounting for time taken by staff in direct care roles on education and influencing.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional, statutory and regulatory requirements.

##### i) Allocation of support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources. Facilities costs including reception and housekeeping are allocated by space occupied and catering costs are allocated based on meals produced. All other costs are allocated based on headcount.

##### j) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

|                                |   |
|--------------------------------|---|
| Hospice buildings              | straight line over the remaining useful life to 2045  |
| Leasehold improvements         | 10 years' straight line for hospice improvements, or 3 years' straight line for shop improvements |
| Equipment for care and support | 10 years' straight line, or 3 years depending on nature of equipment                              |
| Other equipment and vehicles   | 10 years' straight line, or 3 years depending on nature of equipment                              |

Items of equipment are capitalised where the purchase price exceeds £1,000.

##### k) Investment property

Investment land is included in the balance sheet at its fair value. No depreciation is charged. Gains or losses on investment land are shown on the statement of financial activities (SOFA).

## Prospect Hospice Limited

### Notes to the financial statements

For the year ended 31 March 2023

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#### 1. Accounting policies (continued)

##### l) Investments

Investments held at the year end are valued at the current market value at that date. Investment income from dividends is included in incoming resources while realised and unrealised losses and gains on investments are shown separately on the statement of financial activities (SOFA). Realised gains and losses are calculated on investment disposals during the year as the difference between the opening market value and the proceeds received on sale. Unrealised gains and losses are calculated on investment holdings at the year end as the difference between the closing market value and the opening market value or purchase value during the year.

##### m) Stock

Stock is included at the lower of cost or net realisable value after making due allowance for obsolete and slow-moving stocks. Donated items of stock are recognised at fair value, derived from an estimation based on holding 2 weeks' worth of non-giftaided sales.

##### n) Debtors

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

##### o) Cash at bank and in hand

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

##### p) Creditors

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

##### q) 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.

##### r) Pension costs

The charity participates in an NHS defined benefit scheme, and a Royal London (formerly Scottish Life) defined contribution scheme. Only ex NHS employees are eligible to join the NHS scheme. There are no further liabilities other than that already recognised in the SOFA.

##### s) Contingent liabilities

A contingent liability is recognised when either a transfer of economic benefit to settle the obligation is possible but not probable; or the amount of the obligation cannot be estimated reliably.

## Prospect Hospice Limited

### Notes to the financial statements

#### For the year ended 31 March 2023

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#### 1. Accounting policies (continued)

##### t) Accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation or uncertainty that have a significant effect on the amounts recognised in the financial statements include depreciation - see note 1(j) above - accrued legacy income, which is included within debtors - see note 1(d) above - the Akers land investment property valuation - see note 1(k) above, and the contingent liability regarding pension obligations - see note 1(s).

#### 2. Prior period comparatives

|  | Restricted   | Unrestricted | 2022         |
|--|--------------|--------------|--------------|
|  | £000         | £000         | Total        |
|  |              |              | £000         |
| <b>Income from:</b>                            |              |              |              |
| Donations and legacies                         | 93           | 2,165        | <b>2,258</b> |
| Charitable activities                          | 2,892        | 34           | <b>2,926</b> |
| Other trading activities                       | -            | 2,043        | <b>2,043</b> |
| Investments                                    | -            | 1            | <b>1</b>     |
|  | <hr/>        | <hr/>        | <hr/>        |
| <b>Total income</b>                            | <b>2,985</b> | <b>4,243</b> | <b>7,228</b> |
|  |              |              |              |
| <b>Expenditure on:</b>                         |              |              |              |
| Raising funds:                                 |              |              |              |
| Voluntary income                               | -            | 486          | <b>486</b>   |
| Fundraising trading                            | -            | 1,970        | <b>1,970</b> |
| Charitable activities                          | 3,204        | 2,044        | <b>5,248</b> |
|  | <hr/>        | <hr/>        | <hr/>        |
| <b>Total expenditure</b>                       | <b>3,204</b> | <b>4,500</b> | <b>7,704</b> |
|  |              |              |              |
| <b>Net expenditure before investment gains</b> | <b>(219)</b> | <b>(257)</b> | <b>(476)</b> |
|  |              |              |              |
| Net gains on investments                       | -            | 338          | <b>338</b>   |
|  | <hr/>        | <hr/>        | <hr/>        |
| <b>Net movement in funds</b>                   | <b>(219)</b> | <b>81</b>    | <b>(138)</b> |



## Prospect Hospice Limited

### Notes to the financial statements

For the year ended 31 March 2023

#### 3. Income from donations and legacies

|                                     | Restricted<br>£000 | Unrestricted<br>£000 | 2023<br>Total<br>£000 |
|-------------------------------------|--------------------|----------------------|-----------------------|
| Donations                           | -                  | 492                  | 492                   |
| Prospect fundraising events         | 32                 | 119                  | 151                   |
| Community fundraising               | -                  | 383                  | 383                   |
| Boxes income                        | -                  | 45                   | 45                    |
| Legacies                            | -                  | 1,136                | 1,136                 |
| Trusts income                       | 198                | 52                   | 250                   |
| In memorium                         | -                  | 255                  | 255                   |
| <b>Total donations and legacies</b> | <b>230</b>         | <b>2,482</b>         | <b>2,712</b>          |

#### Prior period comparative

|                                     | Restricted<br>£000 | Unrestricted<br>£000 | 2022<br>Total<br>£000 |
|-------------------------------------|--------------------|----------------------|-----------------------|
| Donations                           | -                  | 470                  | 470                   |
| Prospect fundraising events         | 35                 | 12                   | 47                    |
| Community fundraising               | -                  | 394                  | 394                   |
| Boxes income                        | -                  | 46                   | 46                    |
| Legacies                            | -                  | 903                  | 903                   |
| Trusts income                       | 58                 | 78                   | 136                   |
| In memorium                         | -                  | 262                  | 262                   |
| <b>Total donations and legacies</b> | <b>93</b>          | <b>2,165</b>         | <b>2,258</b>          |

#### 4. Income from charitable activities

|   | Restricted<br>£000 | Unrestricted<br>£000 | 2023<br>Total<br>£000 |
|---|--------------------|----------------------|-----------------------|
| COVID funding                                 | 66                 | 9                    | 75                    |
| Swindon CCG                                   | 1,787              | -                    | 1,787                 |
| Wiltshire CCG                                 | 311                | -                    | 311                   |
| Great Western Hospitals NHS Foundations Trust | 5                  | -                    | 5                     |
| Health England (GPST1 doctors funding)        | 177                | -                    | 177                   |
| BSW Alliance                                  | 118                | -                    | 118                   |
| Health Education England                      | 27                 | -                    | 27                    |
| Other   | 11                 | 38                   | 49                    |
| <b>Total charitable activities</b>            | <b>2,502</b>       | <b>47</b>            | <b>2,549</b>          |

## Prospect Hospice Limited

### Notes to the financial statements

For the year ended 31 March 2023

| 4. Income from charitable activities (continued) |              |              | 2022         |
|--|--------------|--------------|--------------|
|  | Restricted   | Unrestricted | Total        |
| Prior period comparative                         | £000         | £000         | £000         |
| COVID funding                                    | 210          | 27           | 237          |
| Swindon CCG                                      | 1,876        | -            | 1,876        |
| Wiltshire CCG                                    | 324          | -            | 324          |
| Great Western Hospitals NHS Foundations Trust    | 206          | -            | 206          |
| Health England (GPST1 doctors funding)           | 155          | -            | 155          |
| BSW Alliance                                     | 98           | -            | 98           |
| Education and training income                    | -            | 1            | 1            |
| Other  | 23           | 6            | 29           |
| <b>Total charitable activities</b>               | <b>2,892</b> | <b>34</b>    | <b>2,926</b> |

| 5. Income from other trading activities | 2023         | 2022         |
|---|--------------|--------------|
|   | £000         | £000         |
| Shops and retail                        | 2,043        | 1,541        |
| Lottery income                          | 749          | 488          |
| Catering income                         | 34           | 14           |
| Ball tickets and raffle                 | 43           | -            |
| <b>Total other trading activities</b>   | <b>2,869</b> | <b>2,043</b> |

*All other trading activity income in the current and prior year was unrestricted.*

| 6. Investment income              | 2023      | 2022     |
|-----------------------------------|-----------|----------|
|                                   | £000      | £000     |
| Income from cash held at UK banks | 15        | 1        |
| Income from investment portfolio  | 1         | -        |
| <b>Total investment income</b>    | <b>16</b> | <b>1</b> |

*All investment income in the current and prior year was unrestricted.*

## Prospect Hospice Limited

### Notes to the financial statements

For the year ended 31 March 2023

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#### 7. Government grants

The charitable company receives funding from the government in the form of a standard NHS contract (short form) from the local Clinical Commissioning Group (Swindon and Wiltshire). Covid funding was also received from NHS England via Hospice UK. This emergency grant funding was for the purpose of making available bed capacity (and in phase 2 utilisation) and providing community support for people with complex needs. Details of the amounts received are in note 4 to the accounts. There are no unfulfilled conditions or contingencies attaching to these funds.

#### 8. Expenditure

|                                       | Direct<br>costs<br>£000 | Support<br>costs<br>£000 | 2023<br>Total<br>£000 |
|---------------------------------------|-------------------------|--------------------------|-----------------------|
| <b>Raising funds</b>                  |                         |                          |                       |
| Costs of generating voluntary income  | <u>444</u>              | <u>132</u>               | <u>576</u>            |
| <b>Fundraising trading</b>            |                         |                          |                       |
| Costs of goods sold in shops and café | 43                      | -                        | 43                    |
| Lottery prizes and overheads          | 210                     | 2                        | 212                   |
| Retail costs                          | <u>1,343</u>            | <u>501</u>               | <u>1,844</u>          |
|                                       | <u>1,596</u>            | <u>503</u>               | <u>2,099</u>          |
| <b>Charitable activities</b>          |                         |                          |                       |
| In-patient unit                       | 1,507                   | 744                      | 2,251                 |
| Community care                        | 931                     | 527                      | 1,458                 |
| Influencing and education             | 628                     | 444                      | 1,072                 |
| Governance costs                      | <u>102</u>              | <u>-</u>                 | <u>102</u>            |
|                                       | <u>3,168</u>            | <u>1,715</u>             | <u>4,883</u>          |
| <b>Total expenditure</b>              | <u><u>5,208</u></u>     | <u><u>2,350</u></u>      | <u><u>7,558</u></u>   |

**Prospect Hospice Limited**

**Notes to the financial statements**

**For the year ended 31 March 2023**

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**8. Expenditure (continued)**

**Prior year comparative**

|                                       | Direct<br>costs<br>£000 | Support<br>costs<br>£000 | 2022<br>Total<br>£000 |
|---------------------------------------|-------------------------|--------------------------|-----------------------|
| <b>Raising funds</b>                  |                         |                          |                       |
| Costs of generating voluntary income  | <u>331</u>              | <u>155</u>               | <u>486</u>            |
| <b>Fundraising trading</b>            |                         |                          |                       |
| Costs of goods sold in shops and café | 18                      | -                        | 18                    |
| Lottery prizes and overheads          | 214                     | 2                        | 216                   |
| Retail costs                          | <u>1,200</u>            | <u>536</u>               | <u>1,736</u>          |
|                                       | <u>1,432</u>            | <u>538</u>               | <u>1,970</u>          |
| <b>Charitable activities</b>          |                         |                          |                       |
| In-patient unit                       | 1,644                   | 855                      | 2,499                 |
| Community care                        | 947                     | 558                      | 1,505                 |
| Influencing and education             | 674                     | 454                      | 1,128                 |
| Governance costs                      | <u>116</u>              | <u>-</u>                 | <u>116</u>            |
|                                       | <u>3,381</u>            | <u>1,867</u>             | <u>5,248</u>          |
| <b>Total expenditure</b>              | <u><u>5,144</u></u>     | <u><u>2,560</u></u>      | <u><u>7,704</u></u>   |

## Prospect Hospice Limited

### Notes to the financial statements

#### For the year ended 31 March 2023

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#### 9. Net movement in funds

This is stated after charging:

|                                   | <b>2023</b> | 2022      |
|-----------------------------------|-------------|-----------|
|                                   | <b>£000</b> | £000      |
| Depreciation                      | 115         | 168       |
| Operating lease payments          | 274         | 248       |
| Trustees' remuneration            | Nil         | Nil       |
| Trustees' reimbursed expenses     | Nil         | Nil       |
| Auditors' remuneration:           |             |           |
| ▪ Statutory audit (including VAT) | <u>12</u>   | <u>11</u> |

#### 10. Staff costs and numbers

Staff costs were as follows:

|                       | <b>2023</b>         | 2022                |
|-----------------------|---------------------|---------------------|
|                       | <b>£000</b>         | £000                |
| Salaries and wages    | 4,414               | 4,843               |
| Social security costs | 428                 | 395                 |
| Pension costs         | <u>321</u>          | <u>316</u>          |
|                       | <u><b>5,163</b></u> | <u><b>5,554</b></u> |

There were no termination or redundancy payments made during the year (2022: £16k).

|                             | <b>2023</b> | 2022       |
|-----------------------------|-------------|------------|
|                             | <b>No.</b>  | No.        |
| Average number of employees | <u>190</u>  | <u>196</u> |

Full time equivalents:

|                           | <b>2023</b>       | 2022              |
|---------------------------|-------------------|-------------------|
|                           | <b>No.</b>        | No.               |
| Medical                   | 5                 | 5                 |
| In-patient nurses         | 23                | 24                |
| Community care            | 32                | 33                |
| Influencing and education | 1                 | -                 |
| Catering and housekeeping | 4                 | 3                 |
| Income generation         | 42                | 40                |
| Facilities and reception  | 2                 | 2                 |
| Admin and support         | 17                | 22                |
| Management                | <u>7</u>          | <u>8</u>          |
|                           | <u><b>133</b></u> | <u><b>137</b></u> |

## Prospect Hospice Limited

### Notes to the financial statements

#### For the year ended 31 March 2023

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#### 10. Staff costs and numbers (continued)

During the year, bank staff employed by the hospice are used to cover short term absences, vacancies and training. When bank staff are not available external agency staff are then used. Total payments for bank staff made through the payroll in the year was £195k (2022: £310k).

At 31 March 2023 there were 33 members of the NHS pension scheme (2022: 36), and 117 members of the Royal London Group Personal pension plan (2022: 124).

The number of higher paid employees was:

|                     | <b>2023</b> | 2022     |
|---------------------|-------------|----------|
|                     | <b>No.</b>  | No.      |
| £70,001 - £80,000   | <b>2</b>    | 2        |
| £80,001 - £90,000   | <b>2</b>    | 2        |
| £100,001 - £110,000 | <b>1</b>    | -        |
| £110,001 - £120,000 | -           | 1        |
| £150,001 - £160,000 | <b>1</b>    | -        |
| £220,001 - £230,000 | -           | 1        |
|                     | <u>6</u>    | <u>6</u> |

The total emoluments inclusive of all employer related costs and termination, redundancy and other restructuring fixed term contractual payments paid to key management personnel (6.0 FTE) for the year was £670k (2022: 6.0 FTE £700k), of which, pension contributions amounted to £30k (2022: £30k).

#### 11. Taxation

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

12. Tangible fixed assets: group and charity

|                         | Hospice<br>land and<br>buildings<br>£000 | Leasehold<br>improvements<br>£000 | Equipment<br>for care<br>and<br>support<br>£000 | Other<br>equipment<br>and vehicles<br>£000 | Total<br>£000       |
|-------------------------|--|-----------------------------------|---|--|---------------------|
| <b>Cost</b>             |  |                                   |   |  |                     |
| At 1 April 2022         | 4,073                                    | 217                               | 428   | 978  | <b>5,696</b>        |
| Additions               | -  | -                                 | 29  | -  | <b>29</b>           |
| Disposals               | -  | -                                 | -   | (66)                                       | <b>(66)</b>         |
| At 31 March 2023        | <u>4,073</u>                             | <u>217</u>                        | <u>457</u>                                      | <u>912</u>                                 | <u><b>5,659</b></u> |
| <b>Depreciation</b>     |  |                                   |   |  |                     |
| At 1 April 2022         | 1,755                                    | 193                               | 423   | 936  | <b>3,307</b>        |
| Charge for the year     | 93                                       | 4                                 | 4   | 14   | <b>115</b>          |
| Disposals               | -  | -                                 | -   | (59)                                       | <b>(59)</b>         |
| At 31 March 2023        | <u>1,848</u>                             | <u>197</u>                        | <u>427</u>                                      | <u>891</u>                                 | <u><b>3,363</b></u> |
| <b>Net book value</b>   |  |                                   |   |  |                     |
| <b>At 31 March 2023</b> | <u><b>2,225</b></u>                      | <u><b>20</b></u>                  | <u><b>30</b></u>                                | <u><b>21</b></u>                           | <u><b>2,296</b></u> |
| At 31 March 2022        | <u>2,318</u>                             | <u>24</u>                         | <u>5</u>  | <u>42</u>                                  | <u>2,389</u>        |

Included in hospice land and buildings is freehold land at a cost of £307k which is not depreciated.

13. Investment property: group and charity

|                                      | 2023<br>£000      | 2022<br>£000 |
|--------------------------------------|-------------------|--------------|
| Market value at 1 April 2022         | 452               | 452          |
| Unrealised gain on revaluation       | -                 | -            |
| <b>Market value at 31 March 2023</b> | <u><b>452</b></u> | <u>452</u>   |
| <b>Historic cost</b>                 | <u><b>153</b></u> | <u>153</u>   |

The investment land shown relates to a share of land that was given in a legacy. The ownership of the land has been transferred into the names of the three beneficiaries of which Prospect Hospice is one. The latest desktop valuation of the land was carried out on 31 March 2023 by Chesters Commercial. This concluded there was no material change in valuation on the proportion of the developable land. The remaining proportion of land is held at arable value. The trustees consider this a fair estimate of land value as at 31 March 2023.

## Prospect Hospice Limited

### Notes to the financial statements

For the year ended 31 March 2023

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#### 14. Investments: group and charity

|  | <b>2023</b>         | 2022                |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | <b>£000</b>         | £000                |                     |                     |
| Market value at 1 April 2022             | <b>3,903</b>        | 3,565               |                     |                     |
| Realised and unrealised gains / (losses) | <b>(76)</b>         | 338                 |                     |                     |
| Cash movement                            | <u>-</u>            | <u>-</u>            |                     |                     |
| <b>Market value at 31 March 2023</b>     | <b><u>3,827</u></b> | <b><u>3,903</u></b> |                     |                     |
| <b>Historic cost</b>                     | <b><u>2,464</u></b> | <b><u>2,464</u></b> |                     |                     |
| Group investments comprise:              |                     |                     |                     |                     |
|  | UK                  | Overseas            | <b>2023 Total</b>   | 2022 Total          |
|  | £000                | £000                | <b>£000</b>         | £000                |
| Listed investments                       | <u>3,827</u>        | <u>-</u>            | <b><u>3,827</u></b> | <b><u>3,903</u></b> |

All listed investments are held in Vanguard 60% Equity fund and CCLA Common Investment Fund.



## Prospect Hospice Limited

### Notes to the financial statements

#### For the year ended 31 March 2023

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#### 15. Subsidiary undertakings

##### *Prospect Hospice Trading Limited*

Prospect Hospice Trading Limited is a wholly owned subsidiary of Prospect Hospice Limited with an issued share capital of two ordinary shares of £1 each. It trades in the purchase and sale of 'new goods' within our retail operations and operates a cafe within the hospice. This company makes a donation to the charity of its taxable profits under the gift aid scheme.

|   | <b>2023</b>        | 2022        |
|---|--------------------|-------------|
|   | <b>£000</b>        | £000        |
| Turnover  | <b>79</b>          | 49          |
| Cost of sales   | <u><b>(41)</b></u> | <u>(16)</u> |
| Gross profit  | <b>38</b>          | 33          |
| Administrative expenses                                 | <u><b>(23)</b></u> | <u>(18)</u> |
| Profit / (loss) on ordinary activities before taxation  | <b>15</b>          | 15          |
| Tax on profit / (loss) on ordinary activities           | <u>-</u>           | <u>-</u>    |
| <b>Profit for the financial year after taxation</b>     | <u><b>15</b></u>   | <u>15</u>   |
| <i>Changes in equity</i>                                |                    |             |
| Total retained losses brought forward                   | -                  | (1)         |
| Total comprehensive income for the year                 | <b>15</b>          | 15          |
| Gift aid distribution to parent charity                 | <u><b>(15)</b></u> | <u>(14)</u> |
| <b>Total retained profit / (losses) carried forward</b> | <u><b>-</b></u>    | <u>-</u>    |

The aggregate of the assets, liabilities and funds was:

|              | <b>2023</b>        | 2022        |
|--------------|--------------------|-------------|
|              | <b>£000</b>        | £000        |
| Assets       | <b>27</b>          | 22          |
| Liabilities  | <u><b>(27)</b></u> | <u>(22)</u> |
| <b>Funds</b> | <u><b>-</b></u>    | <u>-</u>    |

#### 16. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

|                      | <b>2023</b>       | 2022       |
|----------------------|-------------------|------------|
|                      | <b>£000</b>       | £000       |
| Gross income         | <b>8,119</b>      | 7,112      |
| Results for the year | <u><b>529</b></u> | <u>235</u> |

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2023

17. Stock

|                  | The group    |              | The charity  |              |
|------------------|--------------|--------------|--------------|--------------|
|                  | 2023<br>£000 | 2022<br>£000 | 2023<br>£000 | 2022<br>£000 |
| Goods for resale | <u>55</u>    | <u>44</u>    | <u>51</u>    | <u>40</u>    |

18. Debtors

|                                    | The group    |              | The charity  |              |
|------------------------------------|--------------|--------------|--------------|--------------|
|                                    | 2023<br>£000 | 2022<br>£000 | 2023<br>£000 | 2022<br>£000 |
| Trade debtors                      | 142          | 923          | 142          | 923          |
| Amounts owed by group undertakings | -            | -            | 25           | 17           |
| Tax recoverable                    | 65           | 62           | 56           | 58           |
| Prepayments and accrued income     | <u>250</u>   | <u>515</u>   | <u>250</u>   | <u>515</u>   |
|                                    | <u>457</u>   | <u>1,500</u> | <u>473</u>   | <u>1,513</u> |

19. Creditors: amounts due within 1 year

|                                    | The group    |              | The charity  |              |
|------------------------------------|--------------|--------------|--------------|--------------|
|                                    | 2023<br>£000 | 2022<br>£000 | 2023<br>£000 | 2022<br>£000 |
| Trade creditors                    | 100          | 119          | 100          | 119          |
| Accruals                           | 233          | 375          | 231          | 370          |
| Other taxation and social security | 111          | 105          | 111          | 105          |
| Other creditors                    | 44           | 20           | 44           | 20           |
| Deferred income (see note 21)      | 186          | 496          | 186          | 496          |
| Loans                              | <u>300</u>   | <u>225</u>   | <u>300</u>   | <u>225</u>   |
|                                    | <u>974</u>   | <u>1,340</u> | <u>972</u>   | <u>1,335</u> |

20. Creditors: amounts due after 1 year

|       | The group    |              | The charity  |              |
|-------|--------------|--------------|--------------|--------------|
|       | 2023<br>£000 | 2022<br>£000 | 2023<br>£000 | 2022<br>£000 |
| Loans | <u>1,000</u> | <u>1,275</u> | <u>1,000</u> | <u>1,275</u> |

In June 2021, Prospect Hospice received £1.5m in loan financing from HSBC under the CBILS scheme (Coronavirus Business Interruption Loan Scheme). The term is 6 years, but the loan is repaid over 5 years as there are no repayments in the first 12 months. The interest on the loan from month 13 is at 3.99%. The bank has a fixed and floating charge over the hospice assets. There is a legal charge over the value of the hospice land based on the historical cost of the land as at the balance sheet date 31 March 2021.

## Prospect Hospice Limited

### Notes to the financial statements

For the year ended 31 March 2023

#### 21. Deferred income

|                          | The group    |              | The charity  |              |
|--------------------------|--------------|--------------|--------------|--------------|
|                          | 2023<br>£000 | 2022<br>£000 | 2023<br>£000 | 2022<br>£000 |
| At 1 April 2022          | 496          | 578          | 496          | 578          |
| Deferred during the year | 186          | 496          | 186          | 496          |
| Released during the year | <u>(496)</u> | <u>(578)</u> | <u>(496)</u> | <u>(578)</u> |
| At 31 March 2023         | <u>186</u>   | <u>496</u>   | <u>186</u>   | <u>496</u>   |

Deferred income relates to contract income received in advance of provision of services, fundraising income collected in advance of events and lottery income collected in advance of the draw.

#### 22. Analysis of changes in net debt

|                                 | At 1 April     | Cash flows   | At 31 March    |
|---------------------------------|----------------|--------------|----------------|
|                                 | 2022<br>£000   |              | 2023<br>£000   |
| Cash                            | <u>1,476</u>   | <u>1,088</u> | <u>2,564</u>   |
|                                 | 1,476          | 1,088        | 2,564          |
| Loans falling due within 1 year | (225)          | (75)         | (300)          |
| Loans falling due after 1 year  | <u>(1,275)</u> | <u>275</u>   | <u>(1,000)</u> |
| <b>Total</b>                    | <u>(24)</u>    | <u>1,288</u> | <u>1,264</u>   |

#### 23. Financial instruments measured at fair value

|   | The group    |              | The charity  |              |
|---|--------------|--------------|--------------|--------------|
|   | 2023<br>£000 | 2022<br>£000 | 2023<br>£000 | 2022<br>£000 |
| Financial assets measured at fair value | <u>4,279</u> | <u>4,355</u> | <u>4,279</u> | <u>4,355</u> |

Financial assets held at fair value comprise listed investments and investment property.

**Prospect Hospice Limited**

**Notes to the financial statements**

**For the year ended 31 March 2023**

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**24. Analysis of group net assets between funds**

|                                    | Restricted<br>funds<br>£000 | Designated<br>funds<br>£000 | General<br>funds<br>£000 | <b>Total<br/>funds<br/>£000</b> |
|------------------------------------|-----------------------------|-----------------------------|--------------------------|---------------------------------|
| Tangible fixed assets              | 1,151                       | -                           | 1,145                    | <b>2,296</b>                    |
| Investment property                | -                           | -                           | 452                      | <b>452</b>                      |
| Fixed asset investments            | -                           | -                           | 3,827                    | <b>3,827</b>                    |
| Current assets                     | 37                          | 100                         | 2,939                    | <b>3,076</b>                    |
| Current liabilities                | -                           | -                           | (974)                    | <b>(974)</b>                    |
| Non current liabilities            | -                           | -                           | (1,000)                  | <b>(1,000)</b>                  |
| <b>Net assets at 31 March 2023</b> | <b><u>1,188</u></b>         | <b><u>100</u></b>           | <b><u>6,389</u></b>      | <b><u>7,677</u></b>             |

|                                    | Restricted<br>funds<br>£000 | General<br>funds<br>£000 | Total funds<br>£000 |
|------------------------------------|-----------------------------|--------------------------|---------------------|
| <b>Prior year comparative</b>      |                             |                          |                     |
| Tangible fixed assets              | 1,206                       | 1,183                    | 2,389               |
| Investment property                | -                           | 452                      | 452                 |
| Fixed asset investments            | -                           | 3,903                    | 3,903               |
| Current assets                     | 80                          | 2,940                    | 3,020               |
| Current liabilities                | -                           | (1,340)                  | (1,340)             |
| Non current liabilities            | -                           | (1,275)                  | (1,275)             |
| <b>Net assets at 31 March 2022</b> | <b><u>1,286</u></b>         | <b><u>5,863</u></b>      | <b><u>7,149</u></b> |

## Prospect Hospice Limited

### Notes to the financial statements

For the year ended 31 March 2023

#### 25. Movements in funds

|                                 | At 1 April<br>2022<br>£000 | Income<br>£000 | Expenditure<br>£000 | Gains /<br>(losses)<br>£000 | Transfers<br>between<br>funds<br>£000 | At 31<br>March<br>2023<br>£000 |
|---------------------------------|----------------------------|----------------|---------------------|-----------------------------|---------------------------------------|--------------------------------|
| <b>Restricted funds</b>         |                            |                |                     |                             |                                       |                                |
| Building funds                  | 1,200                      | -              | (54)                | -                           | -                                     | <b>1,146</b>                   |
| Costs of equipment              | 6                          | -              | (1)                 | -                           | -                                     | <b>5</b>                       |
| Running costs                   | 80                         | 2,732          | (2,775)             | -                           | -                                     | <b>37</b>                      |
| <b>Total restricted funds</b>   | <b>1,286</b>               | <b>2,732</b>   | <b>(2,830)</b>      | <b>-</b>                    | <b>-</b>                              | <b>1,188</b>                   |
| <b>Unrestricted funds</b>       |                            |                |                     |                             |                                       |                                |
| Designated funds                | -                          | -              | -                   | -                           | 100                                   | <b>100</b>                     |
| General funds                   | 5,863                      | 5,430          | (4,728)             | (76)                        | (100)                                 | <b>6,389</b>                   |
| <b>Total unrestricted funds</b> | <b>5,863</b>               | <b>5,430</b>   | <b>(4,728)</b>      | <b>(76)</b>                 | <b>-</b>                              | <b>6,489</b>                   |
| <b>Total funds</b>              | <b>7,149</b>               | <b>8,162</b>   | <b>(7,558)</b>      | <b>(76)</b>                 | <b>-</b>                              | <b>7,677</b>                   |

#### Restricted funds

##### *Building funds*

This relates to cash received from the capital appeal to build the hospice in Wroughton and cash received from the Department of Health in 2007, 2010 and 2014 for building works at the hospice. The building costs related to this income have been incurred in previous years. The expenditure cost for this year is the depreciation of the related assets.

Other restricted funds relate to grants, donations and legacies which are received for specific purposes. These are held as restricted funds until spent, most of these funds are utilised in the year of receipt.

#### Unrestricted funds

##### *Designated funds*

This relates to a potential liability arising from additional obligations around pension contributions. Indications are that the estimated value of these potential payments are in the region of £100k. The criteria for inclusion as a liability or provision have not yet been met, consequently the trustees have designated some funds to cover the potential liability should it crystallise.

##### *General funds*

It is the policy of Prospect Hospice to aim to keep up to 6 months of future operating costs as free reserves and as an absolute minimum to keep a level of reserves sufficient to meet its liabilities in the event of a winding up of the organisation. If the level of free reserves fall below the policy level the Trustees will review all reserves and their purpose and may choose to transfer previously designated reserves into free reserves to enable them to utilise where most needed for the provision of the hospice's charitable aims. The year end figure, excluding the balance held in fixed assets and investment land, represents approximately 6.6 months' worth of future operating expenditure.

## Prospect Hospice Limited

### Notes to the financial statements

For the year ended 31 March 2023

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#### 25. Movements in funds (continued)

##### Prior year comparative

|                                 | At 1 April<br>2021<br>£000 | Income<br>£000 | Expenditure<br>£000 | Gains /<br>(losses)<br>£000 | At 31<br>March<br>2022<br>£000 |
|---------------------------------|----------------------------|----------------|---------------------|-----------------------------|--------------------------------|
| <b>Restricted funds</b>         |                            |                |                     |                             |                                |
| Building funds                  | 1,358                      | -              | (158)               | -                           | <b>1,200</b>                   |
| Costs of equipment              | 58                         | -              | (52)                | -                           | <b>6</b>                       |
| Running costs                   | 89                         | 2,985          | (2,994)             | -                           | <b>80</b>                      |
| <b>Total restricted funds</b>   | <b>1,505</b>               | <b>2,985</b>   | <b>(3,204)</b>      | <b>-</b>                    | <b>1,286</b>                   |
| <b>Unrestricted funds</b>       |                            |                |                     |                             |                                |
| General funds                   | 5,782                      | 4,243          | (4,500)             | 338                         | <b>5,863</b>                   |
| <b>Total unrestricted funds</b> | <b>5,782</b>               | <b>4,243</b>   | <b>(4,500)</b>      | <b>338</b>                  | <b>5,863</b>                   |
| <b>Total funds</b>              | <b>7,287</b>               | <b>7,228</b>   | <b>(7,704)</b>      | <b>338</b>                  | <b>7,149</b>                   |

#### 26. Pension commitments

The charity has active members in an NHS defined benefit scheme and a Royal London (formerly Scottish Life Group) Personal Pension Plan (RL). Only ex NHS employees are eligible to join the NHS scheme. All other employees are entitled to join the RL plan. The pension charge represents contributions payable by the charity to these funds.

##### *RL Scheme*

The assets of the RL scheme are held separately from those of the charity in a separately administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £154k (2022: £170k).

##### *NHS Scheme*

The NHS scheme is a multi-employer defined benefit pension scheme. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reliable basis, the scheme is treated by the charity as if it were a defined benefit contribution scheme, in accordance with FRS 102. The pension cost charge represents contributions payable by the charity to the fund and amounted to £155k (2022: £137k).

## Prospect Hospice Limited

### Notes to the financial statements

#### For the year ended 31 March 2023

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#### 27. Operating lease commitments

The group and charity had operating leases at the year end with total future minimum lease payments as follows:

|                     | The group  |              | The charity |              |
|---------------------|------------|--------------|-------------|--------------|
|                     | 2023       | 2022         | 2023        | 2022         |
|                     | £000       | £000         | £000        | £000         |
| Amount falling due: |            |              |             |              |
| Within 1 year       | 224        | 251          | 224         | 251          |
| Within 1 - 5 years  | 223        | 635          | 223         | 635          |
| Over 5 years        | 6          | 128          | 6           | 128          |
|                     | <u>453</u> | <u>1,014</u> | <u>453</u>  | <u>1,014</u> |

#### 28. Contingent assets

There are some legacies which have been notified to the charity at 31 March 2023 for which the amount receivable cannot be ascertained. These financial statements include payments received on account but not any estimates for future amounts receivable. Indications are that the estimated value of these potential legacies is in the region of £495k (2022: £420k).

#### 29. Contingent liabilities

There is a potential liability arising from additional obligations around pension contributions, for which the amount payable and the timing of the cash outflow cannot be ascertained. Indications are that the estimated value of these potential payments are in the region of £100k (2022: £nil). The charity does not expect to receive reimbursement if the cost crystallises.

#### 30. Related party transactions

No members of the board of trustees received any remuneration for their services or received any reimbursement of expenses (2022: nil).

Beyond the transactions with its subsidiary, there was one further related party transaction during the year. Trustee Joseph Lewis is a partner at law firm Gardner Leader LLP. Gardner Leader LLP provided legal services related to the commercialising of catering for £825 + VAT. There were no such transactions in the prior year.