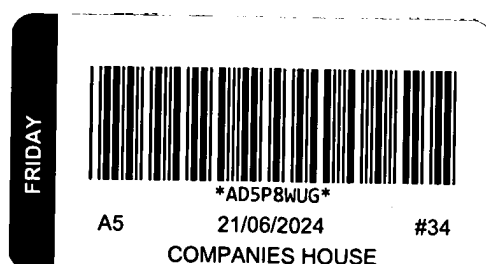


Company no. 01494909
Charity no. 280093

Prospect Hospice Limited
Report and Audited Financial Statements
31 March 2024



Prospect Hospice Limited

Reference and administrative details

For the year ended 31 March 2024

Company number 01494909

Charity number 280093

Registered office and operational address Moormead Road
Wroughton
Swindon
Wiltshire
SN4 9BY

Patrons Jonathan Wilkes
Helen Browning
Sarah Troughton

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

Pradeep Bhardwaj	resigned 15 January 2024
Nathan Bishop	appointed 2 January 2024
Sheila Bryant	resigned 17 July 2023
Eleanor Butler	resigned 17 July 2023
Peter Cadman	appointed 2 January 2024
Philomena Creffield	appointed 2 January 2024
Kevin Howard	
Helen Jones	
Sarah Jones	
Joseph Lewis	resigned 22 August 2023
Julie-Anne Marshman	
Sadie Panter	appointed 11 May 2023
Ian Price	appointed 20 February 2024
Carys Ritchie	appointed 17 August 2023
Nigel Sully	appointed 11 May 2023

Chief executive officer Jeremy Lune appointed 1 May 2023

Executive team

Helen Baxter	Director of Finance
Carolyn Bell	Director of Patient Services
Warren Finney	Director of Community Development (until 30 September 2023)
Jo Hollingsworth	Director of People
Charlotte Forrest	Director of Income Generation (from 21 February 2024)

Medical director Sheila Popert

Prospect Hospice Limited

Reference and administrative details

For the year ended 31 March 2024

Bankers	HSBC plc Unit 6 The Lock Canal Walk Swindon SN1 1LD
Investment managers	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET Vanguard Investments UK Limited (until July 2023) 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 2024

The trustees present their annual report together with the audited financial statements of Prospect Hospice Limited for the year 1 April 2023 to 31 March 2024. 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 2024

Overview of the year

At the outset of 23/24 we were confident that this year we could build on the small surplus financial position from 22/23. However this has been another financially challenging year for the hospice, with the cost of living crisis continuing to have a direct impact on the cost of providing our care and equally the income that could be generated to fund that care.

The high inflation and interest rates experienced in 22/23 had a knock on effect into 23/24 and as a consequence the annual operating costs of the hospice have risen by £1.1 million per annum, whilst the operating income over the same period fell by £0.7 million.

As a result of the continued financial pressures the hospice incurred an operating financial deficit of £1.2 million for the 2023/24 financial year, which has been funded from retained reserves. The hospice budget for 2024/25 is also a financial deficit of £1 million.

Despite the continued cost of living crisis our supporters have this year contributed £5.3 million towards the costs of running our services. From those who donate and buy the goods in our retail shops to the many people who participate in our fundraising events and activities through to those who leave a lasting legacy through a gift in their will, the generous support of the community enables the hospice to provide its much needed services.

Our hospice mission is to work with and through others using our skills and expertise so that people have choice and support at the end of their life. In support of this mission, this year our teams have taken the lead and participated in collaborative work on MND and Frailty. In addition the hospice is part of wider group of health and social care organisations who are working together with the aim of transforming community services for Wiltshire.

We also continued to invest in our people and some key highlights included our two leadership development programmes, the Bluebell ASPIRE programme for healthcare assistants and our lunch and learn staff education sessions. We also continued with our organisational development and culture programme which we began in 2019.

We are enormously proud of our team of 650 volunteers and the support they provide to the hospice. This year we developed a new volunteering strategy, embedded a new retail volunteer induction programme and developed partnership arrangements with other organisations to deliver community based services.

We are also proud of the work done this year to educate and influence the delivery of excellence in end of life care, which included business breakfasts for local care homes and businesses and professional insight visits for healthcare workers.

Other highlights of the year included:

- Rolling out of our food to order service as another source of income for the hospice;
- Upgraded our IT operating software to Microsoft 365;
- Implemented a new finance purchase order system incorporating AI machine learning;
- Upgraded our fundraising CRM system Raiser's Edge to NXT;
- Upgraded our retail in store Epos till system; and
- Being selected as 1 of 9 hospices to work with St Christopher's Hospice and Edinburgh University in a new practice-based development programme.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

Achievements and performance

As outlined in the overview there continues to be a significant level of uncertainty as the hospice navigates the route back to achieving a sustainable financial operating position without having to rely on its retained reserves to fund the gap between annual income and operating costs. The hospice is not alone, with Hospice UK recently reporting an expected £77m deficit position across the hospice sector for the 23/24 financial year.

The macro-economic environment continues to pose challenges to the hospice as a result of increased operating costs which are not currently matched by an increase in income. The impact of inflation on staff salaries and other hospice operating costs has seen the total expenditure for the hospice increase from £7.6m in 22/23 to £8.7m in 23/24. Over this same time period total hospice income reduced from £8.2m (£7.7m on a like for like basis) to £7.4m.

In the autumn of 2023, the hospice opened two additional IPU beds to help ease the demand pressures in the wider healthcare system. The trustees were happy to support this as there was an expectation that there would be additional NHS funding to cover the increased cost. Unfortunately, this funding did not materialise, and in light of the continued financial pressures the hospice had to reduce back to six beds.

Throughout the year our staff and volunteers have continued to go the extra mile to ensure we are there for our patients and their loved ones.

Supporting patients and families

During the year we cared for 1,504 new and re-referred patients, of which 218 patients were admitted to our inpatient unit to help care for those with more complex needs. Our specialist community team cared for the remaining 1,286 patients mainly in their own homes. In total the community team made 21,592 contacts with patients and families, of which 4,365 were face to face patient visits and 17,227 telephone consultations/contacts.

This year we were also able to build our lymphoedema service with additional funding from Swindon CCG. This enabled our specialist nurses to care for 261 palliative and non-palliative patients. The hospice is the only provider of lymphoedema services for Swindon and North East Wiltshire.

In line with our strategic goal to educate and influence the delivery of excellence in end of life care we have also collaborated in a number of innovative projects this year, a few of which are outlined below:

- We appointed an MND specialist practitioner and MND Healthcare assistant to work in collaboration with the hospital MND clinic alongside the consultant neurologist, hospital staff, outpatients and nursing homes, GP surgeries and the MND multidisciplinary team. To date, twenty-two patients and their families have been supported and over six hundred healthcare professionals have attended education sessions on MND, and symptom management provided by our MND specialist practitioner. Whilst this is still a new service we are providing there has already been some fabulous feedback from patients, such as: "no one else seems to understand about MND, if you ever need anything at all we always come straight to you and you will sort it" and "Everything can feel like a battle to get what we need, I don't know what we would do without you fighting our corner".

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

- With the aid of Grant Funding through Hospice UK we have been able to participate in the Frailty care programme. The hospice is working collaboratively with the NHS at home (virtual ward) team in Swindon to provide a specialist support role in improving palliative end of life care to patients and their families. This project is about identifying opportunities for and helping to deliver better patient led "what matters to me" conversations and enable better decision making. The funding provided has enabled the hospice to appoint a part time specialist nurse to work with the NHS at home team. This is a 2 year programme which will run through to the end of 24/25. To date, forty-five new patients identified as part of this project have included those with heart failure and chronic obstructive pulmonary disease.
- Another great achievement this year has been the work to implement the lantern model of nursing which was developed through St Christopher's Hospice (authors: Marie Cooper and Heather Richardson) in 2020. This is a contemporary model of nursing for people at the end of life. Following the completion of training the hospice was delighted to be selected as a "beacon" hospice to work with St Christopher's and Edinburgh University in a new practice-based programme which ran from May 2023 through to March 2024. This assisted in co-creating and testing a guided approach that will support and develop a person-centred culture within an inpatient palliative care environment. The approach is evidence-based learning and action, which will be evaluated and adapted to reflect the experience of participants.

Another one of our objectives is to deliver bespoke specialist end of life care that supports dignity and choice. Therefore it is essential that we seek and act on the feedback we receive from our patients and their loved ones. The hospice has used the iWantGreatCare system to capture patient feedback since 2022 and this year received certificates of excellence in recognition of consistently achieving outstanding patient feedback. We would like to thank all of our patients and their loved ones who have taken the time to share their personal experiences with us. Some families who have shared their stories with us include:

Graham and Katie

"Graham devoted himself to his family and just enjoying life. "He just cared about people," remembers his daughter Katie."

It was during a trip in Australia that they first noticed something was wrong with Graham, leading to a diagnosis of bladder cancer. The cancer eventually spread throughout Graham's bones, causing severe pain that medication could not alleviate. The family decided to seek help from Prospect Hospice, despite Graham's initial reluctance due to his desire to die at home. However, once admitted, Graham found relief and comfort, which significantly improved his quality of life.

Katie remembers how the hospice provided comprehensive care, not just for Graham but for the entire family. Looking back at their time at Prospect Hospice, Katie's fondest memory is of her Dad and her newborn son. "When my son was born, dad wasn't confident holding him because of the pain in his joints. The new treatment plans the hospice arranged for him meant that he finally had the confidence to pick up his grandson and give him a cuddle. It was incredible to see. The hospice gave that to him."

Graham died at home at the age of sixty. "His final passing was lovely. Me, my mum, and brother were all with him. We had a cup of tea, and his favourite music was playing in the background. If we hadn't had the involvement from Prospect Hospice, none of that would have been possible. Without them, dad would have died in agony but, because of them, he got to die the way he wanted to – at home, surrounded by his family and I'll always be grateful to them for giving us that."

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

Robin and Mary

"When my mother was diagnosed with MND, we knew that the illness was incurable. It came as such a shock to us as she had led a physical, outdoor life and had always been incredibly fit and healthy. As she deteriorated and needed more care, I looked after her for 16 months at her home before her health deteriorated. We were told there might be a bed available for her at the hospice. It was all happening so quickly, and we hadn't expected it, but I can't tell you what a godsend it was. We had a lot of anxiety but that was all removed as soon as we stepped over the threshold of the hospice in Wroughton. It was like stepping into a sanctuary. We immediately sensed that we were in the care of compassionate professionals. The whole environment enabled us to concentrate on the important things like being focused emotionally on my mother. We felt like we'd been given a golden gift. Our time spent at the hospice has left us with some very special memories. My mother absolutely adored nature and loved being outdoors. Her room looked out onto the stunning gardens that were teeming with wildlife. We'd sit at my mother's bedside with the patio doors open and watch the nature. The day before my mother passed away, we had such beautiful weather that we moved her bed out onto the patio. We sat her up in her bed so she was lying with nature all around her and could listen to the birds singing. The whole experience was extraordinary, and we spent all afternoon out there. To be able to give her the opportunity to breathe fresh air and have the sense of nature around her was a real privilege and in stark contrast to our experience of the hospital. I know she couldn't have wished for a better ending."

Investing in people

Investing in our people is another key objective of our organisational strategy. This year has been about consolidation, reviewing policies and creating the conditions to ensure we remain at the forefront of end of life care delivery locally.

We continue to see a thriving organisational culture, with a continuing reduction in the rolling 12-month turnover rate of just 13.4%, and absence rates across the year below better than our target of 4%, underpinned by a focus on staff wellbeing and promotion of our ASPIRE values.

In the autumn, we held our annual Your Prospect event which plays a significant role in our organisation development and culture programme. This year we focused on individual growth, resilience, and wellbeing, as well as personal accountability. We celebrated the impact we had over the past year and committed to future development. The design and delivery of the annual Your Prospect event in autumn 2024 has been handed over to the Staff Forum, an example of leadership at every level in practice.

In the past year we have invested heavily in developing leadership capability. Senior leaders and staff at team leader level have undergone comprehensive development programmes, comprising knowledge sessions, independent study and coaching or mentoring.

Our healthcare assistants, too, have benefited from our newly introduced Bluebell ASPIRE programme, aimed at equipping them with the skills and insights to extend their practice into that of specialist Palliative Healthcare Assistants. In the coming months, we plan to design and deliver a development programme for our registered nurses.

In the last year we have conducted a large-scale review of all our 650 volunteer records, archiving historic paper files and developing paperless systems. Alongside this, electronic records have been transferred from our HR database to our supporter database, to facilitate record-keeping and reporting, and ensure a joined-up supporter management approach with fundraising.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

A new retail volunteer induction programme has been embedded, with six sessions delivered so far. This has been established to ensure new retail starters receive consistent messaging, are assessed for the relevant skills needed to be effective in retail and understand the expectations of the role with regard to customer service, working inclusively, income generation and promoting the services of the hospice, recognising that our retail volunteers have the potential to be some of our most ardent supporters in their own communities.

In support of our organisational strategy, our volunteering strategy demonstrates our intention to reach all sectors of the community by ensuring that our volunteer workforce better reflects that community and works more closely into it. Our existing partnership work with community referral sources, such as Broad Green Community Centre, the Harbour Project, the Richmond Fellowship and the DWP and a range of local schools - to name but a few – helps to position us more clearly as a community-based hospice.

Diversifying our volunteer group is also one strand of the voluntary services strategy to ensure we are 'future-proofed' in terms of securing the numbers we require, particularly given that a large proportion of our current volunteer pool is in the older age groups and unlikely to continue volunteering in the short to medium-term. In recent years we have sought to recruit larger numbers of younger volunteers. In 2016 only ten volunteers were under the age of twenty-five, and by the start of the pandemic in 2020, this number had risen to 85 – around 10% of the total number of volunteers at the time. Numbers dropped again after the pandemic, and currently 9% of the entire volunteer workforce is under the age of thirty-five, so we have a renewed focus on increasing representation in the lower age groups.

We have also developed partnering arrangements with other organisations to deliver community-based services. For example, Prospect Hospice volunteers contribute to the running of the hugely successful Memory Café, created by Swindon Borough Council, which takes place once a month in the Heart of the Hospice. We have also worked with Carers Support Wiltshire to develop their bereavement help point model into parts of NE Wiltshire. Currently, one help point is held regularly in Marlborough, run entirely by volunteers trained by Prospect Hospice, and we aim to extend our reach to other parts of our catchment area in due course, subject to clinical staff resources.

Equity, Diversity and Inclusion (EDI)

In the last year we have worked to embed EDI at both operational and strategic levels, with a new strategic oversight group convening to set direction and facilitate progress in this area. The group is made up of the chair of the trustee board, the CEO, the EDI lead, director of services and two additional senior leaders, all of whom are key to embedding an inclusive culture and well-placed to expand our work, particularly in the priority areas of service user consultation, community engagement and collaboration and partnership work.

A more junior level 'champions' group works to ensure inclusion is at the forefront of everyday work, organising events and resources to keep our workforce informed and aware of a variety of topics relating to diversity and inclusion.

Learning and development

We have worked hard to develop the internal learning and development culture, creating delivery programmes that help us to maintain high rates of compliance for all statutory, mandatory and competency training.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

We also seize opportunities to provide learning in a format that fits with the flow of work for our teams. As an example, our lively and varied programme of lunch and learn sessions continues apace, with recent topics including non-invasive ventilation, boundaries, transference and countertransference, nutrition to reduce stress; an introduction to Paganism, and an overview of the work of Papyrus, the national organization to prevent suicide in young people. Clinical staff also benefit from reflect and restore sessions, aimed at developing excellence of practice.

In pursuit of our strategic objectives to use our expertise to educate and influence the delivery of excellence in end of life care, we continue to develop ways of engaging our local community through our learning and development activities. We held our first business breakfast in March, with delegates attending on the day from local care homes and businesses. The theme of the session was approaches to pain relief at end of life, with input from our Director of Services, Community Nurse Specialist and our Advanced Clinical Practitioner. We used the opportunity to extend our network of potential training recipients whilst marketing our current training courses.

We held the latest in a series of school visits at the beginning of February, this time hosting pupils from the Ridgeway School. We have also set up professional insight visits aimed at prospective and existing healthcare workers.

In accordance with our mission to work with and through others, our learning and development activity lends itself to extending the range of collaborative work we engage in. As an example, we are currently co-creating a package of training with the Brandon Trust, aimed at staff who work with people with learning disabilities requiring support around end of life.

Income generation

It is only through the generous financial support of the community that the hospice can continue to deliver its outstanding care for the people of Swindon and North East Wiltshire. However this has been another challenging year, as the cost of living crisis continues to impact the amount of money that could be raised through voluntary income streams. However, despite this our generous supporters still raised £5.3m (72%) of the total hospice income in the year of £7.4m.

Our fantastic community once again supported us financially in a number of ways whether it was taking part in some of our annual fundraising events, purchasing raffle tickets, in memory donations or by joining our regular giving scheme, which in total raised £1.4m. In addition our hospice lottery continues to be one of our most reliable sources of voluntary income at £0.7m for the year and a further £0.8m came from those who of those who have kindly left us a lasting legacy through a gift in their will. We were also fortunate to have received £0.2m from grant makers and trust funds this year.

We also have great support from our local businesses who not only provide us with funding to support our fundraising activities but also support us in many other ways, such as providing us with vans for our shops free of charge, enabling their staff to volunteer with us, and providing us with free space to run our staff events. All of this support is either directly generating more income for the hospice or enabling us to save on our expenditure. We are so appreciative of all of the support we have received this year.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

During the year we were delighted to be able to open two new shops in our Swindon catchment area, one at Tadpole Gardens and the other in Cavendish Square. Both shops have been well received by their local communities and are welcome additions to our retail portfolio. Our retail team continues to seek out opportunities to enhance and grow this income stream and are looking forward to opening a new furniture shop and house clearance operation in 2024.

This year we also invested in a new EPOS till system KUDOS for our shops, which was originally planned for 2020 but the pandemic delayed this. Some of the benefits will include easier gift aid processing, easier purchasing and processing for lottery and raffles, as well as a faster payment experience for our customers.

One of our new income opportunities piloted this year was our "food to order" service from our onsite catering team, which has had a great response so far.

In addition to the income streams outlined above the hospice continues to explore other sources of income as part of its strategic objectives.

Plans for future periods

The hospice launched a new organisational strategy in 2023 and over the coming 12 months will be working towards achieving its objectives, to:

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

Some key areas of focus over the next 12 months include:

Care and support

Despite our financial challenges, the hospice has planned to continue providing all of its specialist care over the next 12 months and will continue to seek opportunities for funding to support our much needed care for patients and those important to them. We will continue to adapt and innovate through our various collaboration projects and programmes, including:

- **Frailty Project** - To continue to implement the project objectives, evaluate the impact and evaluate the effectiveness of our role and making recommendations for a model going forward.
- **MND Co-ordinator Role for Swindon** - Continue to implement the objectives and demonstrate quality improvements in this role working across Swindon.
- **Dementia** - Establish an invigorated working party and work collaboratively with external partners to improve palliative and end of life care for people with dementia and their families.
- **Advancing in Nursing Practice** - To develop a programme of the development for registered nurses to enhance knowledge, skills and confidence in palliative and end of life care.
- **Spiritual care** - Thanks to a very generous donation from a family whose loved one received our care, we have been able to appoint a highly experienced Spiritual Care Lead to oversee our spiritual care provision for patients, families and staff.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

- **Working with and through others** - The hospice is part of a consortium of local health and social care providers seeking to transform how community services are sustainably delivered across the BaNES region.

People

As outlined in our key achievements for the year our people are at the heart of our Organisational Strategy and over the next 12 months we will be continuing to grow and develop our own staff and volunteers and at the same time aiming to increase our reach with our external education programmes. Our key development programmes for 24/25 include:

- Retail Development Programme – a bespoke internally designed education programme for our retail colleagues;
- A series of business breakfasts for local community and business organisations; and
- Offering our specialist Bluebell ASPIRE education programme to other healthcare professionals which will also raise vital funds to further the hospice work.

Financial sustainability

Financial sustainability is the highest priority in the coming year, as the gap between income and operating expenditure has not improved over the last 12 months. We are pleased to have recruited a new Director of Income Generation in February 2024 to spearhead our income growth plans and will be creating a new 5 year income generation strategy.

Whilst there appears to be some easing of the rate at which costs are rising as the rate of inflation falls, there are still significant cost pressures to our cost base. Therefore we will continue to review how our care is provided to ensure it is affordable and sustainable. The hospice will continue to work with other local health and social care organisations to identify opportunities to create efficiencies through more collaborative working.

As outlined in the highlights above, the Trustees have planned for a budget deficit of £1m in 24/25 financial year, whilst working through the long term plans to achieve financial sustainability.

Embracing technology

Having invested in our technology in 23/24 by replacing some of our out of date legacy systems, the hospice will be developing a new IT/Digital strategy in 24/25 as an enabler to driving smarter working across the hospice and to provide more real time information that we can use to improve our care services and our interactions with our supporters.

Environmental impact

In the next 12 months we will be continuing the work started in 23/24 to become a more environmentally sustainable organisation. We will complete the work of replacing all of our lighting within the hospice and our retail shops with LED lighting. We will also start the longer term planning to find more energy efficient solutions for the hospice.

Financial review

a. GOING CONCERN

The trustees recognise that going concern continues to be a material uncertainty for the hospice over the longer term as it continues to navigate the path back to a recurring state of financial sustainability, one of the key objectives of the current hospice 5 year strategy which commenced in 23/24.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

The trustees are fully cognisant of their responsibility for the financial stewardship of the hospice and will continue to review this throughout the 24/25 financial year.

Having taking into account the financial results for 23/24 together with the budget set for 24/25, the trustees are satisfied that the charity is able to continue as a going concern and the accounts have been prepared on this basis.

b. PRINCIPAL RISK AND UNCERTAINTIES

The principal risks and uncertainties identified by the trustees are:

Financial sustainability

As outlined above the rate at which operating costs are growing are not currently being matched by the same rate of income growth. The hospice's retained reserves cannot continue to fund the gap between annual operating costs and income indefinitely. The hospice is exploring a number of avenues and opportunities to bridge this gap and create more sustainable income sources as well as continually reviewing its operating cost base.

Workforce planning

We have identified a key risk relating to our future workforce. Like many hospices we are facing the challenge of an ageing workforce that will, if not acted on create issues for the hospice in the longer term. Therefore during 24/25 a specific plan of action and associated timeline will be created as part of the current review of the 5 year operational strategy and aligned to the 5 year service plan.

Continuity of service provision

As a direct consequence of our financial challenges the hospice can only provide six inpatient beds in our IPU, despite demand being in the region of ten/twelve beds. Also we are currently unable to provide a range of much needed Day Therapy services. It is our ambition to be able to offer these services but until we can achieve a more stable financial position we cannot currently meet the level of the demand there is in the community for our much needed care.

c. FINANCIAL OVERVIEW

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

Incoming resources

As set out on page 22, total incoming resources, including income from charitable activities, was £7,427k for the year (£8,162k in 22/23).

Resources expended

Prospect Hospice's expenditure on a recurring basis (set aside) to provide care and support for patients, families and carers was £5,537k, an increase of £654k 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.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

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.

As outlined in the financial statements as at 31 March 2024 general reserves were £5,323k, a decrease of £1,066k during the year. Of this total, £1,194k relates to unrestricted fixed assets and £452k in investment land. The remaining balance of £3,677k represents approximately 5.2 months of future operating expenditure. The reserves policy also allows for the designation of funds at the trustees discretion. As at the 31 March 2024 designated funds were at £87k.

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 2024 the investment portfolio had a market value of £2.9m (2023: £3.8m). 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;

Post year end, following a review by the hospice's specialist investment advisors, and in light of the current financial pressures, the trustees approved the recommendation to remove the hospice's exposure to stock market risk and move all invested funds to a money market deposit account held with CCLA.

Additionally £452k is held as investment land as at 31 March 2024, this valuation is unchanged from March 2023.

Restricted funds are held in accordance with the accounting policy which is set out on page 26.

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 2024

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 £30.2k 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

In addition to its statutory obligation to implement the national living wage and national minimum wage rates, the hospice implemented a new Pay Framework in 2021 following consultation with Trustees. The principles underlying the pay framework are:

- Staff pay should be based around the median benchmarked market rates (+/- 5%);
- Any cost of living increase awarded will be applied to all grades and roles; and
- A commitment to align pay to Agenda for Change.

The pay framework applies to all employees except for Doctors and Consultants where GMC rates apply.

The Trustees review pay annually ahead of the new financial year, with a view to making a decision on pay and ordinarily implementing any pay award from 1st April. In April 2023 the Trustees awarded a 5% cost of living increase.

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 Finance Audit & Risk, Income Generation, Patient Services and People & Resources also meet on a regular basis.

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.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

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, Audit and Risk Committee 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 participator 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.

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 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.

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 23/24 we received 1 complaint out of a total of 26,627 donations made by individuals and organisations that supported Prospect Hospice during the year.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

Complaints are monitored by the Executive Team and the Finance, Audit and Risk 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.

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.

Prospect Hospice Limited

Report of the trustees

For the year ended 31 March 2024

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.

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 board meeting on the 13 June 2024.

This report, including the strategic report, was approved by the board of trustees on 13 June 2024 and signed on their behalf by:

Nigel Sully

Nigel Sully - Chair

Independent auditors' report

To the members of

Prospect Hospice Limited

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 2024 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 2024 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

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

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. This description forms part of our auditor's report.

Independent auditors' report

To the members of

Prospect Hospice Limited

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: 17 June 2024

**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 2024

	Note	Restricted £000	Unrestricted £000	2024 Total £000	2023 Total £000
Income from:					
Donations and legacies	3	148	2,231	2,379	2,712
Charitable activities	4	1,933	69	2,002	2,549
Other trading activities	5	-	2,969	2,969	2,869
Investments	6	-	77	77	16
Other income		-	-	-	16
Total income		2,081	5,346	7,427	8,162
Expenditure on:					
Raising funds:					
Voluntary income		-	611	611	576
Fundraising trading		-	2,520	2,520	2,099
Charitable activities		2,115	3,422	5,537	4,883
Total expenditure	8	2,115	6,553	8,668	7,558
Net income / (expenditure) before investment gains		(34)	(1,207)	(1,241)	604
Net gains / (losses) on investments		-	128	128	(76)
Net movement in funds	9	(34)	(1,079)	(1,113)	528
Reconciliation of funds:					
Total funds brought forward		1,188	6,489	7,677	7,149
Total funds carried forward		1,154	5,410	6,564	7,677

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 2024

	Note	The group 2024 £000	The group 2023 £000	The charity 2024 £000	The charity 2023 £000
Fixed assets					
Tangible assets	12	2,286	2,296	2,286	2,296
Investment property	13	452	452	452	452
Investments	14, 15, 16	2,886	3,827	2,886	3,827
		<u>5,624</u>	<u>6,575</u>	<u>5,624</u>	<u>6,575</u>
Current assets					
Stocks	17	63	55	55	51
Debtors	18	686	457	700	473
Cash at bank and in hand		920	2,564	906	2,550
		<u>1,669</u>	<u>3,076</u>	<u>1,661</u>	<u>3,074</u>
Liabilities					
Creditors: amounts falling due within 1 year	19	729	974	721	972
Net current assets		940	2,102	940	2,102
Creditors: amounts falling due after 1 year	20	-	1,000	-	1,000
Net assets	24	<u>6,564</u>	<u>7,677</u>	<u>6,564</u>	<u>7,677</u>
Funds					
Restricted funds	25	1,154	1,188	1,154	1,188
Unrestricted funds:					
Designated funds		87	100	87	100
General funds		5,323	6,389	5,323	6,389
Total charity funds		<u>6,564</u>	<u>7,677</u>	<u>6,564</u>	<u>7,677</u>

Approved by the trustees on 13 June 2024 and signed on their behalf by

Nigel Sully

Sadie Panter

Nigel Sully - Chair

Sadie Panter - Trustee

Prospect Hospice Limited

Consolidated statement of cash flows

For the year ended 31 March 2024

	2024	2023
	£000	£000
Net cash provided by / (used in) operating activities		
Net movement in funds	(1,113)	528
<i>Adjustments for:</i>		
Depreciation charges	138	115
(Gains) / losses on investments	(128)	76
Dividends, interest and rents from investments	(77)	(16)
Loss / (profit) on the sale of fixed assets	3	(17)
Impairment of fixed assets	3	-
Decrease / (increase) in stock	(8)	(11)
Decrease / (increase) in debtors	(229)	1,043
Increase / (decrease) in creditors	55	(441)
Net cash provided by / (used in) operating activities	(1,356)	1,277
Cash flows from investing activities:		
Dividends, interest and rents from investments	77	16
Disposal of fixed asset investments	2,596	-
Purchase of tangible fixed assets	(134)	(29)
Proceeds from the sale of property, plant and equipment	-	24
Movement in cash held by investment manager	(1,527)	-
Net cash provided by / (used in) investing activities	1,012	11
Cash flows from financing activities:		
Repayment of borrowing	(1,300)	(200)
Net cash provided in / (used in) financing activities	(1,300)	(200)
Increase / (decrease) in cash and cash equivalents in the year	(1,644)	1,088
Cash and cash equivalents at the beginning of the year	2,564	1,476
Cash and cash equivalents at the end of the year	920	2,564

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 2024

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 key financial risks it continues to face as the rate at which operating costs have increased is not matched by a similar increase in income. The organisational strategy is being reviewed and updated with financial sustainability as a key focus. A new income generation strategy is currently being developed as part of this review, together with a comprehensive review of service provision. The updated plans will be considered by the Board in September 2024.

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 2024

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 2024

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 2024

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. Under the NHS Pension Scheme Direction Order (1996) only qualifying employees are permitted to join the NHS pension scheme. There are no further liabilities other than that already recognised in the SOFA.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies (continued)

s) 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.

2. Prior period comparatives

	Restricted £000	Unrestricted £000	2023 Total £000
Income from:			
Donations and legacies	230	2,482	2,712
Charitable activities	2,502	47	2,549
Other trading activities	-	2,869	2,869
Investments	-	16	16
Other income	-	16	16
Total income	2,732	5,430	8,162
Expenditure on:			
Raising funds:			
Voluntary income	-	576	576
Fundraising trading	-	2,099	2,099
Charitable activities	2,830	2,053	4,883
Total expenditure	2,830	4,728	7,558
Net expenditure before investment gains	(98)	702	604
Net (losses) on investments	-	(76)	(76)
Net movement in funds	(98)	626	528

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

3. Income from donations and legacies

	Restricted £000	Unrestricted £000	2024 Total £000
Donations	-	533	533
Prospect fundraising events	32	168	200
Community fundraising	-	313	313
Boxes income	-	44	44
Legacies	-	819	819
Trusts income	83	106	189
In memorium	33	248	281
Total donations and legacies	148	2,231	2,379

Prior period comparative

	Restricted £000	Unrestricted £000	2023 Total £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
Total donations and legacies	230	2,482	2,712

4. Income from charitable activities

	Restricted £000	Unrestricted £000	2024 Total £000
Swindon CCG	1,383	-	1,383
Wiltshire CCG	322	-	322
Great Western Hospitals NHS Foundations Trust	-	15	15
Health England (GPST1 doctors funding)	205	-	205
Education & Training Income	4	24	28
Other	19	30	49
Total charitable activities	1,933	69	2,002

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

4. Income from charitable activities (continued) Prior period comparative	Restricted	Unrestricted	2023
	£000	£000	Total £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
Total charitable activities	2,502	47	2,549

5. Income from other trading activities	2024	2023
	£000	£000
Shops and retail	2,189	2,043
Lottery income	697	749
Catering income	83	34
Ball tickets and raffle	-	43
Total other trading activities	2,969	2,869

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

6. Investment income	2024	2023
	£000	£000
Income from cash held at UK banks	50	15
Income from investment portfolio	27	1
Total investment income	77	16

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 2024

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). In the prior year some Covid funding was also received from NHS England via Hospice UK. 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 costs £000	Support costs £000	2024 Total £000
Raising funds			
Costs of generating voluntary income	451	160	611
Fundraising trading			
Costs of goods sold in shops and café	56	18	74
Lottery prizes and overheads	152	9	161
Retail costs	1,678	607	2,285
	1,886	634	2,520
Charitable activities			
In-patient unit	1,794	778	2,572
Community care	1,083	517	1,600
Influencing and education	718	546	1,264
Governance costs	101	-	101
	3,696	1,841	5,537
Total expenditure	6,033	2,635	8,668

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

8. Expenditure (continued)

Prior year comparative

	Direct costs £000	Support costs £000	2023 Total £000
Raising funds			
Costs of generating voluntary income	<u>444</u>	<u>132</u>	<u>576</u>
Fundraising trading			
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>
Charitable activities			
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>
Total expenditure	<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 2024

9. Net movement in funds

This is stated after charging:

	2024 £000	2023 £000
Depreciation	138	115
Operating lease payments	353	274
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit for the group (excluding VAT)	15	12
	<u>15</u>	<u>12</u>

10. Staff costs and numbers

Staff costs were as follows:

	2024 £000	2023 £000
Salaries and wages	5,267	4,414
Social security costs	494	428
Pension costs	400	321
	<u>6,161</u>	<u>5,163</u>

Termination and redundancy payments totalling £25k were paid during the year (2023: £nil).

	2024 No.	2023 No.
Average number of employees	<u>197</u>	<u>190</u>

Full time equivalents:

	2024 No.	2023 No.
Medical	5	5
In-patient nurses	26	23
Community care	34	32
Influencing and education	2	1
Catering and housekeeping	5	4
Income generation	47	42
Facilities and reception	2	2
Admin and support	21	17
Management	7	7
	<u>149</u>	<u>133</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

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 £153k (2023: £195k).

At 31 March 2024 there were 38 members of the NHS pension scheme (2023: 33), and 136 members of the Royal London Group Personal pension plan (2023: 117).

The number of higher paid employees was:	2024 No.	2023 No.
£70,001 - £80,000	1	2
£80,001 - £90,000	4	2
£100,001 - £110,000	-	1
£110,001 - £120,000	-	-
£150,001 - £160,000	-	1
£160,001 - £170,000	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 (5.4 FTE) for the year was £693k (2023: 6.0 FTE £670k), of which, pension contributions amounted to £36k (2023: £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 2024

12. Tangible fixed assets: group and charity

	Hospice land and buildings £000	Leasehold improvements £000	Equipment for care and support £000	Other equipment and vehicles £000	Total £000
Cost					
At 1 April 2023	4,073	217	457	912	5,659
Additions	-	-	11	123	134
Disposals / reclassifications	-	-	-	(4)	(4)
Impairment	(3)	-	-	-	(3)
Reclassifications	(58)	(2)	-	60	-
At 31 March 2024	4,012	215	468	1,091	5,786
Depreciation					
At 1 April 2023	1,848	197	427	891	3,363
Charge for the year	96	4	15	23	138
Disposals	-	-	-	(1)	(1)
Reclassifications	(31)	(1)	-	32	-
At 31 March 2024	1,913	200	442	945	3,500
Net book value					
At 31 March 2024	2,099	15	26	146	2,286
At 31 March 2023	2,225	20	30	21	2,296

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

13. Investment property: group and charity

	2024 £000	2023 £000
Market value at 1 April 2023	452	452
Unrealised gain on revaluation	-	-
Market value at 31 March 2024	452	452
Historic cost	153	153

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 2024 by Chesters Harcourt. 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 2024.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

14. Investments: group and charity

	2024	2023
	£000	£000
Market value at 1 April 2023	3,777	3,853
Disposal proceeds	(2,596)	-
Realised and unrealised gains / (losses)	128	(76)
	<hr/>	<hr/>
Market value at 31 March 2024	1,309	3,777
	<hr/>	<hr/>
Cash held pending reinvestment	1,577	50
	<hr/>	<hr/>
Total investments	2,886	3,827
	<hr/> <hr/>	<hr/> <hr/>
Investments comprise:		
Listed investments	1,309	3,777
Cash and cash equivalents	1,577	50
	<hr/>	<hr/>
Total investments	2,886	3,827
	<hr/> <hr/>	<hr/> <hr/>

All listed investments are held in Vanguard 60% Equity fund (until July 2023) and CCLA Common Investment Fund (for the full period).

The charity also holds a £2 investment in a trading subsidiary Prospect Hospice Trading Limited, as detailed in note 15.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

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.

	2024 £000	2023 £000
Turnover	129	79
Cost of sales	<u>(56)</u>	<u>(41)</u>
Gross profit	73	38
Administrative expenses	<u>(43)</u>	<u>(23)</u>
Profit / (loss) on ordinary activities before taxation	30	15
Tax on profit / (loss) on ordinary activities	<u>-</u>	<u>-</u>
Profit for the financial year after taxation	<u>30</u>	<u>15</u>
<i>Changes in equity</i>		
Total retained losses brought forward	-	-
Total comprehensive income for the year	30	15
Gift aid distribution to parent charity	<u>(30)</u>	<u>(15)</u>
Total retained profit / (losses) carried forward	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:		
	2024 £000	2023 £000
Assets	37	27
Liabilities	<u>(37)</u>	<u>(27)</u>
Funds	<u>-</u>	<u>-</u>

16. Parent charity

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

	2024 £000	2023 £000
Gross income	7,368	8,119
Results for the year	<u>(1,113)</u>	<u>529</u>

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

17. Stock

	The group		The charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Goods for resale	<u>63</u>	<u>55</u>	<u>55</u>	<u>51</u>

18. Debtors

	The group		The charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade debtors	270	142	269	142
Amounts owed by group undertakings	-	-	29	25
Tax recoverable	63	65	49	56
Prepayments and accrued income	<u>353</u>	<u>250</u>	<u>353</u>	<u>250</u>
	<u>686</u>	<u>457</u>	<u>700</u>	<u>473</u>

19. Creditors: amounts due within 1 year

	The group		The charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade creditors	110	100	106	100
Accruals	219	233	216	231
Other taxation and social security	128	111	128	111
Other creditors	57	44	57	44
Deferred income (see note 21)	215	186	214	186
Loans	<u>-</u>	<u>300</u>	<u>-</u>	<u>300</u>
	<u>729</u>	<u>974</u>	<u>721</u>	<u>972</u>

20. Creditors: amounts due after 1 year

	The group		The charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Loans	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>

Prospect Hospice had a loan from HSBC under the CBILS scheme (Coronavirus Business Interruption Loan Scheme). The loan term was 6 years with interest being payable from month 13 at 3.99% over the Bank of England Base rate. The bank held a fixed and floating charge over the hospice assets and 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. In August 2023 the CBILS loan outstanding balance at end of March 2023 of £1m was repaid in full in light of the steady increase in bank interest rates. The hospice does not have any other long term loans.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

21. Deferred income

	The group		The charity	
	2024 £000	2023 £000	2024 £000	2023 £000
At 1 April 2023	186	496	186	496
Deferred during the year	215	186	214	186
Released during the year	<u>(186)</u>	<u>(496)</u>	<u>(186)</u>	<u>(496)</u>
At 31 March 2024	<u>215</u>	<u>186</u>	<u>214</u>	<u>186</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
	2023 £000		2024 £000
Cash	<u>2,564</u>	<u>(1,644)</u>	<u>920</u>
	2,564	(1,644)	920
Loans falling due within 1 year	(300)	300	-
Loans falling due after 1 year	<u>(1,000)</u>	<u>1,000</u>	<u>-</u>
Total	<u>1,264</u>	<u>(344)</u>	<u>920</u>

23. Financial instruments measured at fair value

	The group		The charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Financial assets measured at fair value	<u>3,338</u>	<u>4,279</u>	<u>3,338</u>	<u>4,279</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 2024

24. Analysis of group net assets between funds

	Restricted funds £000	Designated funds £000	General funds £000	Total funds £000
Tangible fixed assets	1,092	-	1,194	2,286
Investment property	-	-	452	452
Fixed asset investments	-	-	2,886	2,886
Current assets	62	87	1,520	1,669
Current liabilities	-	-	(729)	(729)
Net assets at 31 March 2024	1,154	87	5,323	6,564

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

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

25. Movements in funds

	At 1 April 2023 £000	Income £000	Expenditure £000	Gains / (losses) £000	Transfers between funds £000	At 31 March 2024 £000
Restricted funds						
Building funds	1,146	-	(54)	-	-	1,092
Costs of equipment	5	-	(5)	-	-	-
Running costs	37	2,081	(2,056)	-	-	62
Total restricted funds	1,188	2,081	(2,115)	-	-	1,154
Unrestricted funds						
Designated funds	100	-	(13)	-	-	87
General funds	6,389	5,346	(6,540)	128	-	5,323
Total unrestricted funds	6,489	5,346	(6,553)	128	-	5,410
Total funds	7,677	7,427	(8,668)	128	-	6,564

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. Costs incurred to date against this fund amount to £13k, leaving a balance of £87k at 31 March 2024.

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. As at the end of March 2024 this has been estimated to be in region of £1.5m. 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 5.2 months of future operating costs.

Prospect Hospice Limited

Notes to the financial statements

For the year ended 31 March 2024

25. Movements in funds (continued)

Prior year comparative

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

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). Since 1996, Prospect have also been subject to The Prospect Foundation Ltd (Superannuation) Direction 1996 ("the Direction Order") from the NHS which permits qualifying employees to join the NHS pension 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 £195k (2023: £154k).

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 £191k (2023: £155k).

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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	
	2024	2023	2024	2023
	£000	£000	£000	£000
Amount falling due:				
Within 1 year	262	224	262	224
Within 1 - 5 years	293	223	293	223
Over 5 years	4	6	4	6
	<u>559</u>	<u>453</u>	<u>559</u>	<u>453</u>

28. Contingent assets

There are some legacies which have been notified to the charity at 31 March 2024 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 £275k (2023: £495k).

29. Related party transactions

No members of the board of trustees received any remuneration for their services or received any reimbursement of expenses (2023: 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.