



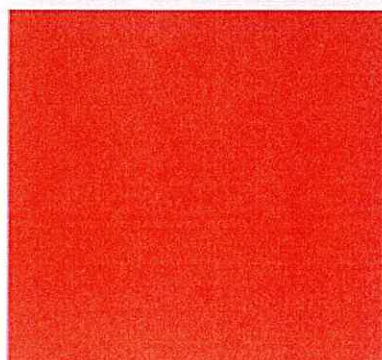
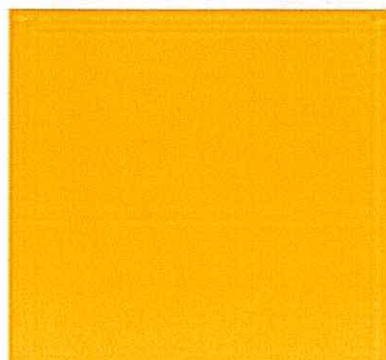
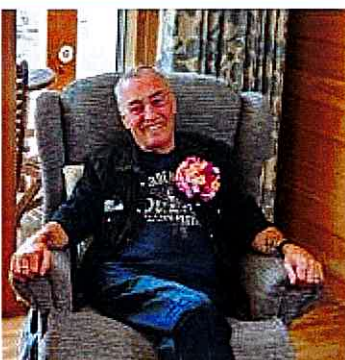
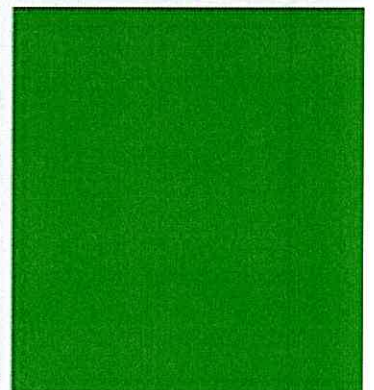
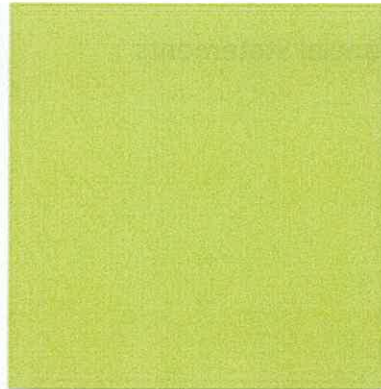
**KATHARINE
HOUSE
HOSPICE**

Annual Report

and Financial Statements

for the year ending 31 March 2025

**Katharine House Hospice Trust
(Company limited by guarantee)
Company No. 02133391
Registered Charity No. 297099**



Contents:

	Page
Reference and Administrative Details	1
Advisers	2
A word from our Chair	3
Report of the Board of Trustees (incorporating the Strategic Report)	4
Independent Auditor's Report	13
Statement of Financial Activities	17
Charity Balance Sheet	18
Statement of Cash Flows	19
Notes to the Financial Statements	20

Reference and Administrative Details

Registered name:	Katharine House Hospice Trust
Status:	<p>Katharine House Hospice Trust is a charitable company limited by guarantee, incorporated on 20 May 1987 and registered as a charity on 26 June 1987.</p> <p>As Katharine House Hospice Trust is a company limited by guarantee it has no share capital, with all trustees being members of the company. The liability of the members is limited to £1 in the event of the winding up of the company.</p>
Governing document:	The company was established under Memorandum and Articles of Association which established the objects and powers of the charitable company.
Company number:	02133391 (registered in England and Wales)
Charity number:	297099
Registered office:	Aynho Road, Adderbury, Banbury OX17 3NL
Trustees:	
Lindsey Bowser	(resigned 23 March 2025*)
Geraldine Burke	
Claire Louise Dobbs	
Sir Tim Jenner	(Chair)
Richard Jones	(resigned 17 July 2025*)
Federica Ronco	(appointed 6 September 2024)
Samuel Shadbolt	(resigned 23 March 2025*)
Anne Tutt	
Benjamin Walmsley	
David Whittingham	(resigned 17 July 2025) <i>*end of term</i>
Senior leadership team:	
Emma Radley	Chief Executive
Stephanie Lawless	Head of Fundraising
Scott Bloomfield	Head of Retail
Karen Welsh	Head of Marketing
Mark Wilson	Interim Head of Finance

Advisers:

Principal bankers:

Virgin Money

7 Gold Street
Northampton
NN1 1EN

HSBC

17 Market Place
Banbury
OX16 5ED

NatWest

1 Town Hall Buildings
Bridge Street
Banbury
OX16 5JS

Investment managers:

Rathbones incorporating Investec Wealth & Investment Ltd

30 Gresham Street
London
EC2V 7QN

CCLA Investment Management Ltd

1 Angel Lane
London
EC4R 3AB

Auditors:

Gravita Audit Oxford LLP

First Floor
Park Central
40-41 Park End Street
Oxford OX1 1JD

Solicitors:

Anthony Collins Solicitors

134 Edmund Street
Birmingham
B3 2ES

A word from our Chair

This year has once again presented us with a challenging environment, so I am pleased to be able to report that the services provided by Katharine House Hospice have continued to steadily expand. The number of beneficiaries we support has grown, while the partnership with Oxford University Hospitals NHS Foundation Trust (OUH) has consolidated, meaning that the quality of service has also been enhanced. It is enormously gratifying for our team to receive a regular stream of laudatory messages from patients and their families about the care and understanding they have received from us. The overall environment in which we seek to raise funds and deliver services has proved ever more demanding, so it is a measure of the hard work and dedication of all our people that I am able to remain optimistic about the future.

We have refined some elements of our partnership agreement with OUH, and an important change has been to take Catering services back under the charity's control. As a result, we have been able to enhance the offering for our patients and their families and have also opened a highly successful café for patients, families and staff. It is a relatively small measure, but the importance of high-quality catering at times to suit everyone is an enormous factor in making difficult times more comfortable.

Our financial position has remained stable. The tough environment experienced by all charities has not improved, but our strategic focus on the development of new funding streams has shown positive signs. We continue to run a deficit, but I am sure our long-term plan is bearing fruit and I can report clear signs of our plans delivering on our path to financial sustainability.

The wider scene will present new challenges. The funding of all NHS activity remains uncertain, and the palliative care sector's position remains particularly unclear. We have made some progress in pursuing our strategic objective of having a strong voice in influencing future direction within our area and will continue to press for a more cohesive approach in the development of services. Looking to the future, the debate on Assisted Dying will have a considerable bearing and we will continue to monitor developments.

All our activity is underpinned by the incredible support we receive from the community we serve. We remain exceptionally grateful for their generosity, not just financially, but also through the work of our army of volunteers who are playing an increasingly important role in progressing our work. The board of trustees are also, of course, volunteers and I am extremely grateful for their support and the strength of their inputs. Finally, our charity team has proved absolutely resilient and coherent throughout the year, and I pay tribute to their hard work and initiative in ensuring that Katharine House remains as successful as it has been in providing for all our beneficiaries.



Sir Tim Jenner

Chair of Trustees, Katharine House Hospice Trust

Report of the Board of Trustees

(incorporating the Strategic Report)

The trustees present their annual report together with the audited financial statements for the year ending 31 March 2025. The format and content of the report and the financial statements comply with current statutory requirements, the charity's Memorandum and Articles of Association and the Charities Statement of Recommended Practice (FRS 102 second edition – October 2019) *Accounting and Reporting by Charities*.

1. Our partnership

Katharine House Hospice partners with Oxford University Hospitals NHS Foundation Trust (OUH) to provide specialist palliative care for adults with life-limiting conditions across north Oxfordshire, south Northamptonshire and south Warwickshire.

We fund care for people from diagnosis to end of life, including symptom management and pain relief throughout a person's illness. Care is not just about managing the physical symptoms of disease: our teams also provide emotional and spiritual support, helping our patients and their loved ones to access the practical help they need.

While many patients come into the hospice to receive their care, support is provided for many more in their own homes, care homes or in hospital.

2. Our impact

Katharine House Hospice provides a wide range of services to support adults with a life-limiting illness, as well as their family and friends, from the point of diagnosis onwards. Our holistic care, which is free of charge, considers the physical, emotional, social and spiritual needs of patients, either at the hospice, in their home or in hospital.

1,775 people were supported across all of Katharine House's services in 2024/25, where our specialist teams provided 7,790 incidences of care. As some people were supported across multiple services, this amounted to 1,167 individuals (2023-24: 1,069). Support across each specialist service was:

Service	Total number of individuals supported by each service		Admissions/appointments or incidents of care (* data not collected)	
	2024-25	2023-24	2024-25	2023-24
Inpatient Unit	232	245	257	259
Community nurses	432	421	3,180	1,661
Lymphoedema	389	269	864	726
Therapy	308	216	Ward – 566 Home – 683	Ward – 402 Home – *
Living Well	327	357	1,766	1,695
Bereavement	87	137	474	*
TOTAL	1,775	1,645	7,790	4,743

Inpatient Unit

Our team of specialist nurses and doctors care for patients in a calm, home-from-home environment. This personalised palliative care helps patients feel more like themselves again and enabled some patients to regain control of their symptoms and go home.

Our care team consider each of their patients individually, working hard to identify the specific actions that would help improve a person's physical health and wellbeing.

Community Palliative Care Team

Many people prefer to stay at home or in their usual place of residence during their illness and in their last few weeks of life, finding they are happier, calmer, and more able to manage their symptoms in familiar surroundings. Our Community Palliative Care Team (CPCT) make this possible by giving care and advice centred on symptom management and meeting the patient's emotional and practical needs, as well as offering support to the family and friends caring for them.

Therapy

Katharine House continues to build a therapy dream team dedicated to improving the physical and mental wellbeing of its patients. Consisting of an occupational therapist and two physiotherapists, the team has a host of different skills and experience which complement each other and enable it to provide an holistic approach for patients, both at the hospice and out in the community.

The team's aim is to help patients achieve the goals important to them, such as operating with greater mobility, independence and physical wellbeing.

Living Well – including Chaplaincy, Social Work and Music Therapy

The aim of Living Well is to enhance the wellbeing of people affected by a progressive incurable illness and our service continues to receive a steady flow of referrals from GP surgeries as well as self-referrals. The service is run by a specialist, multi-professional team which runs wellbeing activities such as:

- breathing workshops
- living with fatigue workshops
- a family carers group
- arts and crafts
- tai chi
- choir sessions
- music therapy.

Practical support is provided by social workers in areas of finance and benefits, with the chaplain being able to provide spiritual support to patients and their families.

Bereavement

Katharine House Hospice's Bereavement Services is there to provide a listening ear for the family and friends of our patients. The team are there to answer questions and provide some practical and emotional support as they come to terms with losing a loved one.

Volunteers

These services, together with the fundraising activities to fund them, cannot be delivered without the skill, expertise and dedication of our staff and our volunteers. We are very grateful to the many volunteers who give their time in support of the charity, whose hours and their Full Time Equivalent (FTE) people (with 1 FTE = 1,740 volunteer hours) this year have been:

Area	Volunteer Hours	Volunteer FTE
Shops	15,747	9.0
Reception	3,799	2.2
Fundraising and Events	2,721	1.6
Property and Facilities (including Gardening and Kitchen)	2,054	1.2
Living Well and Hospice Companions	1,700	1.0
Bereavement	848	0.5
Other	361	0.2
Ward reception	334	0.2
TOTAL 2025	27,564	15.9
TOTAL 2024	25,316	14.5

Using the benchmark of the National Living Wage of £11.44 per hour which operated throughout the 2024-25 financial year, the equivalent minimum cost of these hours would be £315,000 before employer national insurance and pension contributions. The contribution made by the volunteers means more money being channelled towards providing support to patients and their families.

3. Our objectives, mission, vision and values

Our objectives

- Achieve financial breakeven by 2028 and a surplus position by 2030.
- Collaborate with all stakeholders to create an agreed strategy for end of life and palliative care to enable an enhanced service offering.
- Educate our stakeholders about our services, the challenges we face and the commissioning nature of our relationship with OUH.
- Achieve maximum sustainability of our services.
- Ensure our people are supported, engaged and developed.

Our mission

To maximise income to fund the delivery of effective and compassionate palliative care and to advocate and influence for a palliative care system that meets the needs of our diverse community

Our vision

To ensure every moment matters for all patients and families affected by life-limiting illnesses in our community

Our Values

Compassion

We act with compassion and integrity and ensure that everyone is treated with respect.

Inclusivity

We are committed to our whole community, regardless of background or circumstance.

Sustainability

We work to ensure the continued provision of quality palliative and end of life care in our community.

4. Public benefit statement

The trustees have referred to the Charities Act 2011 for guidance on public benefit when reviewing the aims and objectives of Katharine House Hospice and in planning its future activities and the OUH partnership. Consequently, they are able to confirm their belief that the hospice's activities are of public benefit and will continue to be so in the future. Our activities and achievements in furtherance of the public benefit are set out above.

5. Structure, governance and management

Governing document and structure

The company was registered in May 1987 (No. 02133391) with the governing instrument being its Memorandum and Articles of Association. The Articles state that the board of trustees shall have full discretion as to the admission of any person to membership of the association.

Katharine House Hospice Trust is a company limited by guarantee, having no share capital, with all trustees being members of the company. The liability of the members is limited to £1 in the event of the winding up of the company.

The board of trustees

The board of trustees meets quarterly to ensure effective governance of the charity. The Chief Executive is appointed by the board and has delegated responsibility for the day-to-day management of the charity with the support of the senior leadership team (SLT).

The board of trustees is fully committed to the financial stewardship, quality and safety of the charity.

The trustees are guided by an agreed scheme of corporate governance which sets out their responsibilities and those of the SLT. Potential conflicts of interest are addressed in a Conflict of Interests Policy and a register of trustees' interests is maintained. Potential conflicts of interest are addressed at every meeting of the trustees.

A trustees' skills matrix is used to determine the skills requirements when vacancies occur. A search is then undertaken, applicants are interviewed and a vote of members is taken to decide upon appointment.

New trustees undertake an induction programme designed to ensure their understanding of the trustee role and their knowledge of the hospice and wider hospice sector. As well as a review of core documents, the induction provides opportunities to meet with staff and volunteers across the hospice and to observe or shadow parts of our service delivery.

No trustee received any remuneration during the year (see note 9 to the financial statements). One trustee was reimbursed £584 of expenses for which reimbursement was waived as a donation to the charity (2024: £156).

Sub-committees

The board is advised by a range of sub-committees:

- Finance, Audit and Risk
- Income Generation
- General Management.

Organisation structure and key management personnel

Trustees are responsible for the strategic direction of the organisation. Day to day management is delegated to the SLT. The pay of the leadership team is set by trustees in line with the pay policy of the charity, which is in line with market rates for similar roles in the charity sector.

6. Strategic report

6.1 Fundraising activities, achievements and performance including fundraising disclosures under section 13 of the Charities Act 2016

Retail

Whilst income was £18k below that of last year, we exceeded the £1m target for the second year in a row, which is a great achievement given the challenges facing the High Street economy.

Fundraising

The charity's fundraising team is stable and utilising the full income stream portfolio, whilst monitoring the changing sector trends to adjust and respond. The team continued to feel the impact of the cost-of-living crisis, which directly affected individual gifts, community fundraising and event income. However, it is heartening that public engagement and willingness to take part in fundraising events remains strong.

There has also been significantly greater competition for trusts and grants, with further challenges posed by our partnership with the NHS resulting in ineligibility for funds received in the past.

To counteract a recognised drop in legacy income nationally, we have developed a long-term legacy strategy including collaborating with Hospice UK on a national legacy campaign.

Under the provisions of Section 13 of the Charities (Protection and Social Investment) Act 2016, Katharine House Hospice works with one external fundraising agency, The Fundraising Partnership (TFP), which is registered with the Fundraising Regulator and the Gambling Commission. TFP has an extensive Code of Professional Conduct and a Sensitivity and Vulnerability Policy. Together these meet and exceed all compliance requirements for the Chartered Institute of Fundraising and the Fundraising Regulator. All TFP fundraisers are trained to exceed this level, have been issued with a copy of the code and are inspected against it regularly.

TFP recruits passionate fundraisers who raise awareness of the hospice's services as well as generating lottery income. The charity invested £83,351 in door-to-door canvassing to counteract our declining lottery income. The payback period on this investment is expected to be just over one year. The investment is expected to generate repeat lottery income for years to come, as well as resulting in longer-term supporter journeys and associated income. The Katharine House Hospice Lottery Steering Committee monitors the performance of TFP along with all other aspects of the lottery, including compliance checks. The lottery is licenced by the Gambling Commission.

The charity is a member of the Fundraising Regulator, The Charity Retail Association and The Chartered Institute of Fundraising. During the year, the charity had no complaints in its fundraising or lottery activities (2024: one fundraising and one lottery complaint). Our complaints policy and procedures are robust, and we take all supporter feedback seriously. We recognise the value of listening to all feedback and where a complaint indicates a shortcoming, we take the appropriate measures, whether in changing our procedures or providing training for staff to prevent recurrence of issues and improve supporter care.

Katharine House Hospice works within the Fundraising Code to ensure that vulnerable people are protected within all fundraising activities.

6.2 Financial review and significant events

Before revaluation of investments, for the financial year ending 31 March 2025, the hospice recorded a net reduction of £337k in unrestricted funds (2024: £684k reduction) and an increase of £51k in restricted funds (2024: £25k increase).

After revaluation of investments, the net reduction in funds for the year is £285k (2024: £443k reduction).

Income

Total income received in the year increased by 24% to £3,321k (2024: £2,688k) as shown below.

	Note	2025 £	2024 £	+/-%
Donations	2	942,811	821,937	+15
Legacies	2	654,523	174,362	+374%
Charitable activities (including statutory funding)	3	199,358	135,449	+47%
Retail income	4a	1,006,901	1,024,975	-2%
Other trading	4a	415,434	400,339	+4%
Investments	5	93,860	121,096	-22%
Other income	4b	8,417	9,867	n/a
		<u>3,321,304</u>	<u>2,688,025</u>	<u>+24%</u>

Donations

Income from donations for the year was £942k (2024: £822k) as investment in our community events and engagement with corporate organisations continue to reap benefits.

Legacies

Income from legacies for the year was £654k (2024: £174k). Whilst a strong legacy pipeline had been forecast for the year, we are very grateful for the generosity of those who bequeathed legacies to the charity. Legacy income is unpredictable but the pipeline for 2025-26 is encouraging.

Charitable activities (fees and grants)

Income from fees and grants for the year was £199k (2024: £135k). This year we received £33k from the Department of Health & Social Care to help support capital investment to improve patient welfare.

Retail income (charity shops)

The hospice runs seven shops and one online shop. Income from shops was £1,007k (2024: £1,025k). Income being over £1m for the second year running was a great result given the challenging times faced on the High Street.

Investment income

Investment income was £94k (2024: £121k). Falling interest rates and greater uncertainty in the markets has limited interest and dividend income this year.

Expenditure and staff costs

Expenditure for the year was £3,525k (2024: £3,398k) of which £1,331k (38%) related to staff costs (2024: £1,175k 35%).

During the year, catering staff and equipment was transferred to the charity from OUH with the aims of increasing patient service and providing the opportunity to generate additional income.

Other drivers of costs this year have been cost of living pay awards for staff, irrecoverable VAT and the costs of redundancies. In this last respect, the charity anticipated the additional employer national insurance costs that would arise from the beginning of April 2025 and undertook a restructure in early 2025 to mitigate this.

Payment for life care services

The charity provides a £1.2m payment to OUH to supply palliative and end of life care services as defined in the Integrated Service Model for Palliative Care. The vision is to provide equitable high quality holistic palliative and end of life care for the people of north Oxfordshire, south Northamptonshire and south Warwickshire, and those close to them, with advice and support being available 24/7. The partnership is structured to enable the hospice to become more resilient and able to influence changes to improve palliative and end of life care provision, to respond to unmet need and to reach under-served communities.

6.3 Investment policy and performance

In accordance with the Memorandum and Articles of Association, the trustees have the authority to invest in such stocks, shares, investments and property as they see fit. An agreed Investment Policy describes the trustees' investment aspirations which include:

- providing income
- providing enhanced value where possible
- avoiding undue risk by investing diversely and monitoring investments carefully
- avoiding investment in tobacco-related industries.

The combined performance of our investment fund managers showed a net capital loss (realised and unrealised) of £82k for the year (2024: gain £267k).

Our investment portfolio, including cash held within the portfolio, reduced in value to £3,451k (2024: £3,577k.)

Our bank deposits have decreased in value to £1k (2024: £353k). This is due to drawing down cash to cover the shortfall in the contribution from the charity towards the cost of the OUH grant.

6.4 Key risks

The charity has a risk management system to identify key risks that could affect the achievement of our objectives. The process focuses on four potential areas of risk, each falling under the auspices of one of the trustee committees and one of the members of the SLT. They are retail, fundraising, finance and general management (including the hospice premises).

The full risk management process is conducted quarterly and comprises the following steps:

- Risks are identified and reviewed together with any mitigation measures by the SLT.
- Risks are scored for impact and likelihood to give a risk score (before and after mitigation) by the SLT.
- Scored risks with mitigations are reviewed by the appropriate sub-committee and the risk register updated as appropriate.
- Scored risks with mitigations are reviewed by the finance, audit and risk committee, which has delegated responsibility for managing risk.
- The final risk register is reviewed and approved by the board of trustees.

The principal risk facing the charity is the cost-of-living crisis which continues to hit the UK and which puts pressure on individuals' disposable income. Whilst this may provide an opportunity for retail shop sales, the increased convenience of online selling platforms may divert merchandise to being sold, rather than donated, limiting the amount and quality of merchandise available to sell. We also face increased costs from suppliers as they have additional costs to cover, such as employers' national insurance.

The highest scoring and most strategic risk is that the fundraising environment will remain challenging or further deteriorate, and income will continue to lag expenditure. Having taken steps to reduce staffing costs in early 2025, work continues to address this.

6.5 Future plans

The charity is an organisation that exists to fund and direct the provision of palliative care to the community within our region. Our future plans include to:

- expand the range of volunteering opportunities to meet more of the needs of our patients and service users
- improve the existing retail estate and look to improve return on investment in lower performing outlets
- continue to increase the number of players in our lottery and ensure they are well supported
- expand our fundraising reach to improve our presence within our whole clinical catchment area.

6.6 Reserves policy

A traditional reserves policy uses time as a proxy for risk, however, there may be little or no understanding of the actual financial impact of the risks involved. Therefore, Katharine House Hospice has adopted a risk-based policy which allows us to be more precise about the reasons for needing reserves. Risks can also be managed in a dynamic way. In times of improved economic outlook, strong charity performance and low risk to income streams, much lower levels of reserves will be required. Conversely, in the current geopolitical environment with losses forecast and high uncertainty over some of our revenue projections, much higher reserves are required.

Free reserves policy

The charity defines free reserves as unrestricted reserves that are freely available to spend on any of the charity's purposes. Free reserves therefore exclude tangible fixed assets used to carry out the charity's activities, such as land and buildings.

Within unrestricted reserves, the charity's policy is to maintain free reserves sufficient to cover:

- liquidity
- projects (and project risks)
- structural work including repairs, refurbishments and dilapidations
- projected losses based on the current three-year plan
- risks of further losses based on the current three-year plan.

The risk of further losses is the risk of a shortfall in income (assessed by scoring each category of income using a risk matrix) less the potential for cost savings if income falls (assessed by scoring each category of cost using a commitment matrix).

As at 31 March 2025, the level of free reserves held was £3.633m (2024: 3.908m), compared to a risk-based reserves requirement of £3.006m. The gap between free reserves and the risk-based reserves requirement is expected to narrow in the medium term.

Restricted reserves policy

The charity holds restricted income in a restricted reserve until fully spent on the restricted purpose. If it is not possible to spend the funds as the donor intended, the donor will be approached and agreement reached on either reallocation or return of the funds.

7. Statement of accounting and reporting responsibilities

The trustees are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

Company and charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the charity's incoming resources and application of resources, including the charity's income and expenditure for that 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 estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity 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 to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

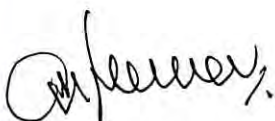
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

8. Statement of disclosure of information to auditors

We confirm that, as far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors and Trustees report (Strategic Report) is approved on behalf of the trustees by:



Sir Tim Jenner
Chair of Trustees

23rd October 2025

**Independent Auditor's report to the members of
Katharine House Hospice Trust for the year ended 31 March 2025**

Opinion

We have audited the financial statements of Katharine House Hospice Trust for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Charity Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Director's 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 Katharine House Hospice Trust's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, including the Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

Based on the work undertaken in the course of the audit:

- the information given in the Trustees' report, which includes the Directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and the strategic report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of the Trustees

As explained more fully in the Trustees' responsibilities statement [set out on page 16], the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with Directors/Trustees, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company,
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

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

Robert Kirtland, Senior Statutory Auditor
for and on behalf of Gravita Audit Oxford LLP
Statutory Auditors
First Floor
Park Central
40-41 Park End Street
Oxford
OX1 1JD

Katharine House Hospice Trust
Annual Report and Financial Statements for the year ending 31 March 2025
Statement of Financial Activities (Including Income and Expenditure account)

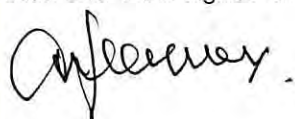
		Unrestricted	Restricted	2025 Total	Unrestricted	Restricted	2024 Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	2	1,573,666	23,668	1,597,334	964,560	31,739	996,299
Charitable activities	3	153,577	45,781	199,358	84,276	51,173	135,449
Retail activities	4a	1,006,901	-	1,006,901	1,024,975	-	1,024,975
Other trading activities	4a	415,434	-	415,434	400,339	-	400,339
Investments	5	93,860	-	93,860	121,096	-	121,096
Other Income	4b	8,417	-	8,417	9,867	-	9,867
Total income		3,251,855	69,449	3,321,304	2,605,113	82,912	2,688,025
Expenditure on:							
Raising funds	3	(1,134,831)	(13,022)	(1,147,853)	(966,730)	(46,766)	(1,013,496)
Retail activities	3	(915,546)	-	(915,546)	(840,219)	-	(840,219)
Charitable activities	3&7	(1,456,897)	(4,914)	(1,461,811)	(1,482,532)	(61,331)	(1,543,863)
Total expenditure	3	(3,507,274)	(17,936)	(3,525,210)	(3,289,481)	(108,097)	(3,397,578)
Net (expenditure)/ income before revaluation		(255,419)	51,513	(203,906)	(684,368)	(25,185)	(709,553)
Net gain/(loss) on investments		(81,593)	-	(81,593)	266,590	-	266,590
Net (expenditure)/ income for the year		(337,012)	51,513	(285,499)	(417,778)	(25,185)	(442,963)
Transfers between funds		-	-	-	814,221	(814,221)	-
Net movement of funds for the year		(337,012)	51,513	(285,499)	396,443	(839,406)	(442,963)
Reconciliation of funds:							
Balances brought forward 31 March 2024	18	5,498,454	15,218	5,513,672	5,102,011	854,624	5,956,635
Balances carried forward 31 March 2025	18	5,161,442	66,731	5,228,173	5,498,454	15,218	5,513,672

The notes on pages 21 to 38 form part of these financial statements.

		2025		2024	
	Note	£	£	£	£
Fixed assets:					
Intangible assets	11	16,000		-	
Tangible assets	12	1,545,573		1,590,870	
Investments	13	<u>3,450,839</u>		<u>3,577,212</u>	
			5,012,412		5,168,082
Current assets:					
Stock – goods for resale		-		-	
Debtors	14	195,330		282,085	
Cash at bank and in hand		586,303		621,263	
		<u>781,633</u>		<u>903,348</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	<u>(565,872)</u>		<u>(557,758)</u>	
Net current assets			215,761		345,590
Total net assets	17		<u>5,228,173</u>		<u>5,513,672</u>
Funds:					
Restricted income funds	18		66,731		15,218
Unrestricted & designated funds	18		5,161,442		5,498,454
Total funds	18		<u>5,228,173</u>		<u>5,513,672</u>

The notes on pages 21 to 38 form part of these financial statements.

These financial statements were approved and authorised for issue by the board of trustees on 23rd October 2025 and were signed on its behalf by:



Sir Tim Jenner
Chair of Trustees

Company Registration Number: 02133391

Katharine House Hospice Trust
Annual Report and Financial Statements for the year ending 31 March 2025
Statement of Cash Flows

	Note	2025	2024
		£	£
Cash flows from operating activities			
Net (expenditure) for the reporting period (as per the Statement of Financial Activities)		(203,906)	(709,553)
Depreciation of fixed assets	8	78,663	76,337
Transfer in of fixed assets at net book value	12	(11,978)	-
Dividends, interest, and rent from investments	5	(93,860)	(121,096)
Decrease in debtors		99,763	15,688
(Decrease)/increase in creditors		(4,894)	(24,960)
Net cash from operating activities		(136,212)	(763,584)
Cash flows from investing activities:			
Interest received	5	4,458	29,297
Dividends received	5	89,402	91,799
Purchase of intangible fixed assets	11	(16,000)	-
Purchase of tangible fixed assets	12	(21,388)	(18,669)
Proceeds from sale of investments		338,504	373,815
Purchase of investments	13	(291,387)	(393,177)
Net cash (used in) investing activities		103,589	83,065
Change in cash and cash equivalents in the year		(32,623)	(680,519)
Cash and cash equivalents at the beginning of the year		662,912	1,343,431
Cash and cash equivalents at the end of the year		<u>630,289</u>	<u>662,912</u>
Cash and cash equivalents are held as follows:			
Cash held in operations		585,760	267,792
Cash held on deposit		543	353,471
Total cash at bank and in hand		586,303	621,263
Cash held in investments	13	43,986	41,649
Cash and cash equivalents at the end of the year		<u>630,289</u>	<u>662,912</u>

Notes to the financial statements for the year ending 31 March 2025

Statutory information

Katharine House Hospice Trust Ltd is a private company limited by guarantee, registered in England and Wales, registration no. 2133391. The registered office is Aynho Road, Adderbury, Banbury OX17 3NL.

Compliance with accounting standards

The format and content of the financial statements have been prepared in accordance with the Charities SORP (FRS 102), the Charities Act 2011, the Companies Act 2006 and FRS 102.

Public Benefit Entity

The charity is a public benefit entity.

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below and have remained unchanged from the previous period.

(a) Going concern and presentation currency

The financial statements have been prepared on a going concern basis under the historical cost convention, modified by the inclusion of fixed asset investments at their market value.

At the time of approving the accounts, the trustees have a reasonable expectation that Katharine House Hospice has adequate resources to continue in operational existence for the foreseeable future. The trustees consider there are no material uncertainties about the charity's ability to continue and adopt the going concern basis of accounting in preparing the accounts.

The financial statements are prepared in £ sterling, rounded to the nearest £, which is the functional currency of the company.

(b) Basis of preparation of charity financial statements

The charity had one dormant subsidiary undertaking, Katharine's Cupboard Limited, which was dissolved in the previous year and was clearly immaterial in considering the financial position of the charity (see note 14). Therefore, the charity has decided not to prepare consolidated accounts.

The charity has adapted the Companies Act format of the financial statements to reflect the special nature of the charity's activities.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income, the amount can be quantified with reasonable accuracy and it is probable that the income will be received. The following specific policies are applied to categories of income:

Donations are accounted for as received by the charity.

Gifts in kind: Estimating the fair value of donated goods for resale is impractical because of the volume of low-value items received. Therefore, donated goods for resale are not recognised on receipt. Instead, the value to the charity of the donated goods sold is recognised as income when sold. Other gifts in kind, including donated facilities and services, are recognised in income at their fair value.

Legacy income is recognised at the earlier of receipt or when all the following conditions have been met:

- Probate has been granted.
- The charity is able to measure the value of its entitlement accurately and confirm that there are sufficient funds to pay the legacy.
- Any conditions attached to the legacy are either within the control of the charity or have been met.

Shop income is recognised on a cash receipt basis.

Lottery income is recognised when allocated to the current week's draw. Lottery funds received and not drawn before the balance sheet date are recorded as deferred income and included within creditors in the balance sheet. Raffle income is also recognised when the raffle is drawn.

Income from fundraising ventures is shown gross, with the associated costs included within fundraising costs.

Investment income is included when receivable. Realised and unrealised gains and losses are dealt with in the Statement of Financial Activities.

Grant income, including government grants, is recognised when receivable and conditions for receipt have been complied with. The charity considers that where a term or condition simply restricts the use of a grant, this does not affect a charity's entitlement to the gift and recognition of income.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as irrecoverable VAT in the appropriate expense category. Expenditure is categorised under the following headings:

Raising funds: Costs of raising funds comprise costs incurred in encouraging people and organisations to contribute financially to the charity's work. This includes the cost of advertising for donations, the running of the lottery including prize money, costs associated with the staging of special fundraising events and investment managers' costs.

Retail activities: Costs of retail activities comprise costs associated with the running of the shops.

Charitable activities: Costs of charitable activities comprise those costs incurred by the charity in grant funding and supporting the delivery of specialist palliative care and associated services for patients with a terminal illness.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly to that activity, with remaining support costs (which include office costs, governance costs and administrative payroll costs) being allocated to a particular activity on an appropriate basis as set out in notes 6 and 7.

The cost of the annual payment to the OUH is accounted for as services are provided.

(e) Fixed asset investments

Fixed interest investments are held to maturity for the purposes of income generation and capital appreciation; the trustees consider it appropriate to show these at cost less amortisation of premium paid.

Listed equities are stated at market value as at the balance sheet date. Realised and unrealised gains and losses on investments during the year are dealt with in the Statement of Financial Activities. Cash held in investments is included in investments rather than cash at bank and in hand.

Net gain/loss on investments includes both realised and unrealised gains/losses on the revaluation/sale of investments.

(f) Current asset investments

Investments held for resale are included in current assets.

(g) Intangible assets

Intangible assets are amortised on a straight-line basis over their useful lives as follows:

Computer software	25%
-------------------	-----

In the Statement of Financial Activities, the amortisation charge is allocated between expenditure on raising funds and charitable activities.

(h) Tangible fixed assets

Tangible fixed assets are included in the financial statements at historical cost, less accumulated depreciation. Depreciation of tangible fixed assets is provided on a straight-line basis, calculated at annual rates estimated to write off each asset over the term of its useful life. The depreciation rates applicable are:

Freehold land	nil
Freehold buildings	2%
Leasehold property	period of the lease
Motor vehicles, office and computer equipment	10%, 20% and 33 1/3%
Assets under construction	zero

(i) Stock

Any stocks of goods for resale are felt by the trustees to be insignificant and are only carried at cost if purchased at the year end.

(j) Taxation

The company is registered as a charity and is not liable to corporation tax on its charitable activities.

(k) Value Added Tax

The company is partially exempt for the purposes of VAT.

(l) Pension costs

Retirement benefits are provided to employees by way of various pension schemes as set out in note 10 to the financial statements. Contributions payable to these pension schemes are charged in the Statement of Financial Activities in the period to which they relate. Any differences between the contributions payable in the year and those actually paid are included within creditors in the balance sheet. FRS 102 requires fixed payments amounts to be included on the balance sheet.

(m) Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the term of the lease.

(n) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, funding providers or which have been raised by the company for a particular purpose. The costs of raising and administering such funds are charged against the specific fund.

(o) Debtors

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

(p) 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.

(q) Creditors and provisions

Creditors are recognised where the company 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.

(r) Financial instruments

The company 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 except for bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Income from donations and legacies

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Donations	919,143	23,668	942,811	790,198	31,739	821,937
Legacies	654,523	-	654,523	174,362	-	174,362
	<u>1,573,666</u>	<u>23,668</u>	<u>1,597,334</u>	<u>964,560</u>	<u>31,739</u>	<u>996,299</u>

3. Income from charitable activities

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Fees and grants	153,577	45,781	199,358	84,276	51,173	135,449
	<u>153,577</u>	<u>45,781</u>	<u>199,358</u>	<u>84,276</u>	<u>51,173</u>	<u>135,449</u>

4a. Income from retail and other trading activities

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Charity shop income	1,006,901	-	1,006,901	1,024,975	-	1,024,975
Total retail	<u>1,006,901</u>	<u>-</u>	<u>1,006,901</u>	<u>1,024,975</u>	<u>-</u>	<u>1,024,975</u>
Lottery	215,264	-	215,264	162,080	-	162,080
Other fundraising income	200,170	-	200,170	238,259	-	238,259
Total other trading activities	<u>415,434</u>	<u>-</u>	<u>415,434</u>	<u>400,339</u>	<u>-</u>	<u>400,339</u>

4b. Other income

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Insurance claims	542	-	542	700	-	700
Finance services	7,875	-	7,875	9,167	-	9,167
	<u>8,417</u>	<u>-</u>	<u>8,417</u>	<u>9,867</u>	<u>-</u>	<u>9,867</u>

5. Income from investments

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Dividends – Equities	89,402	-	89,402	91,799	-	91,799
Interest - Securities	711	-	711	-	-	-
Interest – Deposits	<u>3,747</u>	<u>-</u>	<u>3,747</u>	<u>29,297</u>	<u>-</u>	<u>29,297</u>
	<u><u>93,860</u></u>	<u><u>-</u></u>	<u><u>93,860</u></u>	<u><u>121,096</u></u>	<u><u>-</u></u>	<u><u>121,096</u></u>

Represented by:

6. Total expenditure

	Basis of allocation	Retail	-----Raising Funds-----			Charitable	2025 Total	2024
		Charity shops	Charity lottery	Fund-raising	Investment income	Charitable activities		
		£	£	£	£	£	£	
Costs directly allocated to charitable activities								
OUH grant payments*	Direct	-	-	-	-	1,205,500	1,400,000	
OUH EDI officer*	Direct	-	-	-	-	-	28,016	
Hospice support costs	Direct	-	-	-	-	156,994	22,172	
Staff costs	Direct	379,489	-	461,256	-	840,745	821,947	
Rent & other shop costs	Direct	245,050	-	-	-	245,050	239,382	
Merchandise costs	Direct	24,827	-	-	-	24,827	33,752	
Staff training, welfare	Direct	1,161	-	734	-	1,895	4,330	
Staff and patient travel	Direct	4,267	-	163	-	4,430	5,029	
Waste removal	Direct	24,490	-	-	-	24,490	21,658	
Lottery prizes & costs	Direct	-	188,106	-	-	188,106	102,321	
Other fundraising costs	Direct	-	-	135,539	-	135,539	119,620	
Irrecoverable VAT	Direct	-	-	17,583	-	17,583	13,395	
Investment manager costs	Direct	-	-	-	16,860	16,860	15,511	
Depreciation	Direct	10,082	-	1,988	-	13,532	37,288	
		689,366	188,106	617,263	16,860	1,363,956	2,875,551	
Support costs allocated to other activities								
Hospice communications	Hours	4,316	4,316	77,691	-	43,162	116,943	
Administration staff costs	Income	158,026	33,784	134,138	-	325,948	274,679	
Admin & office expenses	Income	23,217	4,964	19,708	-	47,889	44,168	
Utilities & services	Income	12,714	2,718	10,792	-	26,224	20,994	
Repairs and maintenance	Income	4,191	896	3,558	-	8,645	11,806	
Governance	Income	11,001	2,352	9,338	-	22,691	16,235	
Irrecoverable VAT	Income	11,464	2,451	9,731	-	23,646	9,283	
Depreciation	Floor	1,251	534	8,653	-	54,693	39,049	
		226,180	52,015	273,609	-	97,855	649,659	
Total expenditure 2025		915,546	240,121	890,872	16,860	1,461,811	3,525,210	
Total expenditure 2024		840,219	133,464	864,521	15,511	1,543,863	3,397,578	

	Restricted			Restricted		
	Unrestricted	£	2025 Total	Unrestricted	£	2024 Total
	£	£	£	£	£	£
Raising funds	1,134,831	13,022	1,147,853	966,730	46,766	1,013,496
Retail activities	915,546	-	915,546	840,219	-	840,219
Charitable activities	1,456,897	4,914	1,461,811	1,482,532	61,331	1,543,863
	3,507,274	17,936	3,525,210	3,289,481	108,097	3,397,578

*Oxford University Hospitals NHS Foundation Trust

7. Expenditure on charitable activities

	Basis of allocation	2025 £	2024 £
Costs directly allocated to charitable activities:			
OUH Grant payments	Direct	1,205,500	1,400,000
OUH EDI officer	Direct	-	28,016
Hospice support costs	Direct	156,994	22,172
Depreciation	Direct	1,462	23,879
		1,363,956	1,474,067
Support costs allocated:			
Hospice communications	Hours	43,162	38,981
Depreciation	Floor	54,693	30,815
Total expenditure		1,461,811	1,543,863
Charitable expenditure by service			
		2025 £	2024 £
OUH Grant payments (all services)		1,205,500	1,400,000
OUH EDI officer (all services)		-	28,016
Hospice support costs (all services)		156,994	22,172
Hospice communications (all services)		43,162	38,981
Inpatient Unit		27,606	27,607
Living Well		19,384	19,383
Community Nurses (CPCT)		3,082	3,082
Lymphoedema		616	616
Bereavement service		616	616
Welfare & education		4,852	3,390
Total expenditure (all services)		1,461,812	1,543,863

With effect from 1 April 2021, all the clinical services previously provided by Katharine House have been carried out by OUH to the same high standards of care that were previously provided by Katharine House. Payments have been made to OUH totalling £1,205,500 (2024: £1,400,000) for the purpose of providing funding to facilitate the Trust in carrying out the services.

8. Net income/(expenditure) for the year

This is stated after charging/(crediting):

	2025 £	2024 £
Depreciation of fixed assets	78,663	76,337
Operating lease rentals:		
Property	137,990	136,729
Other	12,303	8,312
Auditor's remuneration (excluding VAT):		
Audit	11,500	10,650
	<u>78,663</u>	<u>76,337</u>

9. Staff costs and numbers

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	1,134,841	1,034,693
Redundancy and termination costs	28,541	-
Social security costs	95,220	83,136
Pension costs	72,739	57,776
	<u>1,331,341</u>	<u>1,175,605</u>

Redundancy and termination payments are accounted for in the period in which the payments were made. During the current financial year, such payments amounted to £28,541 (2024: nil).

Staff numbers

The average number of employees, and full time equivalent (FTE) employees, employed by the charity during the year was:

	2025 FTE	2024 FTE	2025 No.	2024 No.
Charitable activities	3	-	6	-
Support activities	6	6	8	9
Raising funds	28	28	35	35
	<u>37</u>	<u>34</u>	<u>49</u>	<u>44</u>

The number of employees whose total employee benefits (excluding employer pension costs) exceeded £60,000, for the reporting period fell within each band of £10,000 as follows:

	2025 No.	2024 No.
£70,000-£79,999	-	1
£80,000-£89,999	1	-
	<u>1</u>	<u>1</u>

The key management personnel of the Trust comprise the trustees, the Chief Executive and the SLT. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £336,182 (2024: £302,219).

The charity trustees were neither paid nor received any other benefits from employment with the Trust or its subsidiary in the year (2024: £nil). One trustee was reimbursed £584 for expenses incurred during the year (2024: £156 paid to one trustee for attendance at one event). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

The role played by volunteers is disclosed in the trustees' report (page 6).

10. Pension costs

Aviva pension scheme – defined contribution scheme

The current scheme operated by the company is administered by Aviva and is a group personal pension scheme with defined contribution rules. The assets of the pension scheme are held separately from those of the charity in independently administered funds.

The scheme was set up in 2008 with both a flexible contribution rate from the employer and an opportunity for employees to contribute via a salary sacrifice arrangement which the trustees felt fairly reflected a modern pension scheme for its employees. Since May 2014, this scheme has been used as the company's auto enrolment scheme.

The company's contributions to the scheme in the current year are based on a contribution rate of up to 13% of pensionable pay (2024: up to 13% of pensionable pay). There is also an option to make contributions to the scheme through a salary sacrifice – the company contribution rate with salary sacrifice is up to 21%, based on a 7% salary sacrifice (2024: up to 21%, based on a 7% salary sacrifice).

The pension costs for the year ending 31 March 2025, as included in the Statement of Financial Activities, amounted to £58,660 (2024: £57,776). The balance owing to the scheme as at 31 March 2025 is £10,248 (2024: £7,989).

Pension costs are allocated to activities based on the job description of each employee. Where an employee is part funded from a restricted fund for a specific project, a proportion of their pension is allocated to that fund. All other pension costs are allocated to unrestricted funds.

NHS pension scheme – defined benefit scheme

During the year, staff and equipment providing catering services to the hospice were transferred into the charity from OUH.

Staff were transferred under Transfer of Undertakings (Protection of Employment) Regulations 2006 which, amongst other protections, allowed staff to retain their participation in the NHS pension scheme.

At the Balance Sheet date, the charity had yet to be established as a participating employer to the scheme and contributions were held, pending admission. The pension costs for the year ending 31 March 2025, as included in the Statement of Financial Activities, amounted to £14,079 (2024: £nil) The balance owing to the scheme as at 31 March 2025 is £14,079 (2024: £nil).

Details of the benefits payable and rules of the scheme can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution

scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the Governments Financial Reporting Manual ('FReM') requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years".

An outline of these is as follows:

(a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2025 is based on valuation data as at 31 March 2023, updated to 31 March 2025 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

(b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (considering recent demographic experience) and to recommend the contribution rate payable by employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as of 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

11. Fixed assets – Intangible

	Computer software £	Total £
Cost		
At 1 April 2024	271	271
Additions in year	16,000	16,000
Disposals in year	<u>(271)</u>	<u>(271)</u>
At 31 March 2025	<u>16,000</u>	<u>16,000</u>
Amortisation		
At 1 April 2024	271	271
Charge for the year	-	-
Disposals in year	<u>(271)</u>	<u>(271)</u>
At 31 March 2025	<u>-</u>	<u>-</u>
Net book value		
At 31 March 2025	<u>16,000</u>	<u>16,000</u>
At 1 April 2024	<u>-</u>	<u>-</u>

All the above assets are used for charitable purposes.

Intangible asset additions in the year were funded by a grant received from the Department of Health and Social Care via Hospice UK. These are included as Restricted Funds in Note 17(a).

12. Fixed assets – Tangible

	Freehold land and buildings £	Leasehold improvement £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2024	2,831,171	69,409	134,113	18,420	3,053,113
Additions in year	-	1,864	19,524	-	21,388
Transfers in	-	-	34,869	-	34,869
Disposals in year	-	-	(703)	-	(703)
At 31 March 2025	<u>2,831,171</u>	<u>71,273</u>	<u>187,803</u>	<u>18,420</u>	<u>3,108,667</u>
Depreciation					
At 1 April 2024	1,338,867	40,600	65,792	16,984	1,462,243
Charge for the year	56,223	5,251	16,039	1,150	78,663
Transfers in	-	-	22,891	-	22,891
Eliminated on disposal	-	-	(703)	-	(703)
At 31 March 2025	<u>1,395,090</u>	<u>45,851</u>	<u>104,019</u>	<u>18,134</u>	<u>1,563,094</u>
Net book value:					
At 31 March 2025	<u>1,436,081</u>	<u>25,422</u>	<u>83,784</u>	<u>286</u>	<u>1,545,573</u>
At 1 April 2024	<u>1,492,304</u>	<u>28,809</u>	<u>68,321</u>	<u>1,436</u>	<u>1,590,870</u>

Fixtures and fittings additions costing £17,504 were funded by a grant received from the Department of Health and Social Care via Hospice UK. These are included as Restricted Funds in Note 17(a).

Land with a value of £20,000 (2024: £20,000) is included in Freehold land and buildings and is not depreciated. All the above assets are used for charitable purposes.

13. Investments

	Fixed Interest £	Listed equities at market value £	Charity total £
Fair value at 1 April 2024	9,000	3,526,563	3,535,563
Additions	29,002	262,385	291,387
Disposals	(15,000)	(341,300)	(356,300)
Revaluation during the year	-	(63,797)	(63,797)
Fair value at 31 March 2025	<u>23,002</u>	<u>3,383,851</u>	3,406,853
Cash held in investments			43,986
Net book value at 31 March 2025			<u>3,450,839</u>
Fair value on 31 March 2024	<u>9,000</u>	<u>3,526,563</u>	3,535,563
Cash held in investments			41,649
Net book value at 31 March 2024			<u>3,577,212</u>

The historical cost of listed equity investments included above at market value is £3,089,224 (2024: £3,154,120).

14. Debtors

	2025 £	2024 £
Trade debtors	12,118	42,161
Other debtors	-	2,861
Prepayments & accrued income	173,212	208,247
Legacies receivable	10,000	25,000
VAT recoverable	-	3,816
	<u>195,330</u>	<u>282,085</u>

15. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	368,634	427,983
Taxation and social security	25,033	20,495
Other creditors	24,328	7,989
Accruals	25,181	45,425
Deferred income (note 16)	114,302	55,866
VAT payable	8,394	-
	<u>565,872</u>	<u>557,758</u>

16. Deferred income

	2025 £	2024 £
Balance at the beginning of the year	55,866	107,835
Amount released to income in the year	(55,866)	(69,676)
Amount deferred in the year	<u>114,302</u>	<u>17,707</u>
Balance at the end of the year	<u>114,302</u>	<u>55,866</u>

Lottery and raffle income received in advance is deferred to the date of the prize draw.

17. (a) Analysis of net assets between funds – current year

	General unrestricted £	Designated lottery fund	Restricted funds £	Total funds £
Intangible assets	-	-	16,000 **	16,000
Tangible assets	1,528,069	-	17,504 **	1,545,573
Investments	3,450,839 *	-	-	3,450,839
Net current assets	<u>157,050 *</u>	<u>25,484 *</u>	<u>33,227</u>	<u>215,761</u>
Net assets at 31 March 2025	<u>5,135,958</u>	<u>25,484</u>	<u>66,731</u>	<u>5,228,173</u>
* Free reserves	<u>3,607,889</u>	<u>25,484</u>	<u>-</u>	<u>3,633,373</u>

** Intangible and tangible assets costing £33,504 in total were funded by a grant from the Department of Health and Social Care, received via Hospice UK.

17. (b) Analysis of net assets between funds - prior year

	General unrestricted £	Designated lottery fund	Restricted funds £	Total funds £
Tangible assets	1,590,870	-	-	1,590,870
Investments	3,577,212 *	-	-	3,577,212
Net current assets	<u>321,537 *</u>	<u>8,835 *</u>	<u>15,218</u>	<u>345,590</u>
Net assets at 31 March 2024	<u>5,489,619</u>	<u>8,835</u>	<u>15,218</u>	<u>5,513,672</u>
* Free reserves	<u>3,898,749</u>	<u>8,835</u>	<u>-</u>	<u>3,907,584</u>

18. (a) Movement on funds – current year

	As at 1 April 2024 £	Income £	Expenditure & Losses £	Transfers and Gains £	As at 31 March 2025 £
Restricted funds:					
Hospice staffing	1,260	9,725	(4,592)	-	6,393
Patient Welfare	2,718	299	(322)	-	2,695
Chapel	85	-	-	-	85
Equipment	500	11,978	(1,353)	-	11,125
Grounds and Gardens	655	7,943	(7,192)	-	1,406
Fundraising	-	6,000	-	-	6,000
EDI	5,523	-	-	-	5,523
Sustainability	4,477	-	(4,477)	-	-
DHSC Capital	-	33,504	-	-	33,504
Total restricted funds	15,218	69,449	(17,936)	-	66,731
Designated & general funds:					
Designated lottery fund	8,835	100,000	(83,351)	-	25,484
General funds	5,489,619	3,151,855	(3,423,923)	(81,593)	5,135,958
Total unrestricted funds	5,498,454	3,251,855	(3,507,274)	(81,593)	5,161,442
Total funds	5,513,672	3,321,304	(3,525,210)	(81,593)	5,228,173

Restricted funds:

Hospice Staffing Fund – This fund represents donations received with the specific request that they be used to defray the cost of hospice staffing.

Patient Welfare Fund – This fund represents donations received with the specific request that they be used to defray the cost of projects that enhance patient wellbeing and welfare. This includes Art Room supplies, massage and therapy supplies, musical instruments, games, and stories for life.

Chapel Fund – This fund represents donations received with the specific request that they be used to defray the cost of running of our chapel.

Equipment Fund – This fund represents donations received with the specific request that they be used to purchase new equipment.

Grounds and Gardens Fund - This fund represents donations received with the specific request that they be used to defray the cost of the upkeep of our grounds and gardens, which help create an atmosphere of peace and tranquillity at the hospice for all those who come to us.

Fundraising Fund - This fund represents donations received with the specific request that they be used to defray the cost of running fundraising events.

EDI Fund - This fund represents donations received with the specific request that they be used to defray the cost of managing the project *"Inclusion Matters": Creating a culture of equality, diversity and inclusion at Katharine House Hospice and Sobell House.*

DHSC Capital – This fund represents funding received from the Department of Health and Social Care for capital expenditure on upgrading hospice security systems, IT hardware and software to improve services to patients.

Fund descriptions and policy

A summary of the risk-based reserves policy is provided in the trustees' report. Overall, the charity needs to retain £3.0m (2024: £3.0m) of free reserves to satisfy the full ongoing reserves requirement. This will enable Katharine House Hospice Trust to manage short-term losses of statutory or fundraising income and provide sufficient time to plan any changes required to future service delivery.

Designated and unrestricted funds:

Designated lottery development fund – In order to safeguard stakes, The Gambling Commission stipulates that all lottery development is funded from reserves. Therefore, the trustees have designated a fund for us to partner with a face-to-face charity fundraising company to canvass for new lottery players. In addition, the lottery is operated from separate bank accounts, and enough money is retained in the lottery bank to cover 110% of any advanced stakes and all outstanding prizes (subject to the terms of the lottery).

General fund - This fund recognises the need to protect hospice services in the light of the challenges faced by all within the hospice sector of maintaining and building both statutory and fundraising income, and the high level of costs incurred. This fund will continue to be treated as unrestricted funding, in line with the wider charity sector.

18. (b) Movement on funds – prior year

	As at 1 April 2023 £	Income £	Expenditure & Losses £	Transfers and Gains £	As at 31 March 2024 £
Restricted funds:					
Hospice Staffing	-	4,240	(2,980)	-	1,260
Hospice Companion	14,011	-	(14,011)	-	-
Patient Welfare	3,375	-	(657)	-	2,718
Chapel	4,180	1,000	(5,095)	-	85
Equipment	4,635	19,114	(23,249)	-	500
Projects	46,497	-	(10,772)	(35,725)	*
Grounds and Gardens	1,091	1,575	(2,011)	-	655
Fundraising	-	16,000	(16,000)	-	-
EDI	2,339	31,000	(27,816)	-	5,523
Sustainability	-	9,983	(5,506)	-	4,477
OUH Capital	778,496	-	-	(778,496)	**
Total restricted funds	854,624	82,912	(108,097)	(814,221)	15,218
Unrestricted funds:					
Designated lottery fund	-	50,000	(41,165)	-	8,835
General funds	5,102,011	2,555,113	(3,248,316)	1,080,811	5,489,619
Total unrestricted funds	5,102,011	2,605,113	(3,289,481)	1,080,811	5,498,454
Total funds	5,956,635	2,688,025	(3,397,578)	266,590	5,513,672

* A fund held for the Oxford Palliative Care Network was transferred to Helen and Douglas House Children's Hospice under a TUPE agreement.

** During the year ending 31 March 2024 The Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB), as the organisation which evolved from the Oxfordshire Clinical Commissioning Group (CCG), released any restriction on grants awarded to Katharine House Hospice Trust by the Oxfordshire CCG in March 2021 and March 2022.

19. Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases were as follows:

	2025	2024
	£	£
Less than one year	138,559	143,959
One to five years	67,583	236,783
Over five years	-	-
	<u>206,142</u>	<u>380,742</u>

20. Commitments including grant commitments

As at 31 March 2025, the charity had no capital commitments (2024: £nil).

During the year, Katharine House Hospice Trust entered into a three-year agreement with OUH to provide funding of up to £1.2m per year for hospice and palliative care services, funded from ongoing fundraising activities and reserves.

21. Contingent liabilities

Contingent liabilities

As at 31 March 2025, the charity had £60k of estimated contingent liabilities (2024: £50k).

There has been some movement in the structure of the hospice building that we have worked to stabilise. While structural engineers' opinions advise it is not a serious problem, it is difficult to plan for any remedial work or to estimate the financial effect of any work that may be required. Any expense will be met from reserves.

The charity also has eight tenant repairing leases within our retail operations. There are only minimal current dilapidations but there is a contingent liability for future dilapidations. Considering the expected condition of each property at return (and using rent as a proxy for the size and initial condition), the contingent dilapidations liability is estimated to be in the region of £60k. This represents an increase of £10k over the last year to allow for inflation.

22. Related party transactions

There were no related party transactions (2024: £nil)

23. Taxation

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

