

**St Andrew's Healthcare  
Annual Report and Financial Statements  
for the Year Ended 31 March 2023**

**Charity registration number: 1104951**

**Company number: 05176998**

# St Andrew's Healthcare

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# St Andrew's Healthcare

## Advisers

### Registered Office

Billing Road  
Northampton  
England  
NN1 5DG

### Independent Auditors

Grant Thornton UK LLP  
Chartered Accountants and Statutory Auditors  
17th Floor  
103 Colmore Row  
Birmingham  
B3 3AG

### Solicitors

Eversheds Sutherland  
1 Wood Street  
London  
EC2V 7WS

Capsticks  
1 St George's Road  
Wimbledon  
London  
SW19 4DR

### Bankers

Barclays Bank PLC  
1 Churchill Place  
London  
E14 5HP

# St Andrew's Healthcare

## Combined Trustees' and Directors' Report for the Year Ended 31 March 2023

### Chair's Report

Welcome to this year's Annual Report. As I reflect on the past year, I would like to share a few of our highlights, and the challenges that we are overcoming as a Charity.

Most of the people we provide care and support for live in the community. Over the last year the Charity has worked with over 2,000 service users in the community, including 213 veterans. We have also worked with 915 inpatients and over the last year discharged 445 people with half moving on to lower levels of security or back home and into the community.

I am proud of the hard work of our staff who support people to find hope and recovery, equipping them with the skills that they need to live their life.

The Charity is diversifying, drawing on a legacy of 185 years of service and innovation to offer a contemporary response to complex needs and severe mental illness. Over the next five years, our vision is to create a society in which everyone living with a mental health need is heard, valued, and has hope for their future. By 2028, our aim is to be a leading voice in helping people with complex mental health needs transform their lives.

Drawing on our expertise in supporting people with complex needs to begin a recovery journey, we have ambitious plans to develop, provide and partner to provide new models of care in the community. We will do this by investing in research and education that informs practice in mental health and improves the lives of those we work with.

As part of becoming a contemporary charity, we are diversifying our charitable activities meaning by 2028 our education and research, along with estates and commercial activities will be sustainable and self-sufficient financially.

Improving the quality of everything we do is critical; it is the foundation on which better outcomes for our patients are built. Despite the workforce and other challenges faced by organisations across healthcare quality improvement is our focus. It is why we want to ensure the people in our care can access the full breadth of therapies and activities we have on offer, seven days a week. To make this possible, we are changing our divisional structure, launching a new operating model in clinical services, and investing in more frontline staff. As a Charity we are embracing new ways of working and streamlining our activities so we can be more effective and efficient.

We still have work to do to ensure that across all our services the people we serve receive consistently high-quality care and support. The Care Quality Commission's (CQC's) recent inspections of our services have noted the green shoots of changes we are making. Our Community Partnerships division which offers outpatient services, was recently rated as Good, as was Broom Cottage in Derbyshire. Our Essex hospital was recently rated as Requires Improvement (following an inspection which took place in March 2023), with green 'Good' ratings in the Safe, Effective, Caring and Well-Led categories. Overall, our Northampton hospital is rated as Requires Improvement, with some areas of highly celebrated practice – including Good ratings in the Caring and Responsive domains.

We also play our part in reducing our environmental and carbon footprints, in recognition of the Greener NHS programme. In the past year, the Charity has reduced its total emissions by 12%. 99% of the Charity's general waste was diverted from landfill, with over 30% being recycled. This adds up to a saving of more than 29 tonnes of CO2 through downstream emissions. This is not only helping us save money but crucially, helping the planet too.

St Andrew's has come a long way. There is still much to do but I am excited for the opportunities ahead and I am confident of the Charity's abilities to continue evolving, improving, and inspiring hope.

*Paul Burstow*

**Rt Hon. Paul Burstow**  
**Chair, Board of Trustees**

# **St Andrew's Healthcare**

## **Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)**

### **Objectives and Activities**

St Andrew's Healthcare is a Charity that provides specialist mental healthcare for people with complex mental health needs. We are committed to helping those we work with find hope for their future.

Across our three hospitals, we provide treatment and care for inpatients who face challenges of mental illnesses, developmental disorders, brain injuries and neurological conditions. We also offer treatment and support for individuals within community settings and as outpatients to different groups, including former members of the Armed Forces and people within the Criminal Justice System. Over the past 12 months, we supported c.2000 community patients via our various outpatient activities. We also work with other services to support individuals as they leave hospital care.

The people who use our services come from different backgrounds and places, and have various mental and physical health needs. Some individuals need short-term, intensive support following a mental health crisis or breakdown, and some people stay with us for longer periods; for these individuals we can provide not just medical interventions, but therapy and support to help them get their lives back on track. Some patients come to St Andrew's towards the end of their life, and our expert staff care for them in as comfortable an environment as possible.

We provide care across a number of services, including Men's and Women's Mental Health, Child and Adolescent Mental Health Services (CAMHS), Neuropsychiatry, Autistic Spectrum Disorder and Learning Disabilities. Our headquarters and largest site is in Northampton, but we also have hospitals in Birmingham and Essex, and two residential homes, Winslow and Broom Cottage (in Nottinghamshire and Derbyshire respectively), which provide specialist locally focused mental healthcare.

### **Public Benefit**

As laid out in our Articles of Association, our charitable purpose is to relieve suffering, give hope and promote recovery. This is endorsed within our new Strategic purpose of hope, with a vision of a society in which everyone living with mental health is heard, valued and has hope for their future. The Trustees have given due regard to the Charity Commission's guidance on public benefit when exercising their relevant powers and duties.

Our activities aim to ensure that knowledge and understanding of a patient's needs are catered for; that patients are valued as individuals; and that patients (and their families and carers) have access to help when they need it. We are a Charity providing specialist care, education and research to help people with mental health disorders to live a more rewarding life.

The Charity's revised five year Strategy builds on these areas further through the seven co-produced ambitions of Voice, Social Impact, Quality, Service Development, Workforce, Learning & Research and Financial Sustainability, which enable us to deliver our charitable purpose every day in all our services. Further details of our seven ambitions are shown on page 22.

### **Achievements and Performance**

We are continuously striving to deliver the very best care for our patients. We aim to help everyone in our care to lead a meaningful life and, where possible, discharge from hospital as soon as they are ready.

Over the past twelve months, there were 433 people discharged to lower or similar levels of security (typically closer to home), with a further 85 people who continued their transition through our pathways of care, mostly to lower levels of restriction.

We are continuing to lobby for an improvement in the approach to commissioning, and plan to develop more community services ourselves. This will help us to support more patients to move into a less restrictive environment within the community.

## St Andrew's Healthcare

### Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)

#### Clinical Services

In order to focus our clinical and nursing expertise, our Northampton hospital is focused around four divisions, and our Birmingham and Essex hospitals are separate divisions in their own right. Across the divisions we provide the following services:

- Child and Adolescent Mental Health Service (CAMHS).
- Medium Secure Mental Health.
- Low Secure Mental Health.
- Specialist Rehabilitation including Psychiatric Intensive Care Units (PICU).
- Autistic Spectrum Disorders (ASD) and Learning Disability.
- Neuropsychiatry.

Each division is led by a Triumvirate consisting of a Clinical Director, Associate Director of Nursing and Service Director.

Community Partnerships is also a clinical division within St Andrew's providing a wide range of community outpatient type services for those with complex mental health presentations. These services cover the Midlands, East and Southeast of England.

Last year, the service received over 2,000 referrals. Half of these referrals came from our expanded Mental Health Treatment Requirements (MHTR) service, which was a pilot programme in 2021, and has grown to cover 28 courts across Norfolk, Suffolk, Essex, Oxford & Reading and Kent.

NHS England undertook a market engagement exercise and our Veterans service has been re-commissioned for a further six years. The most significant change is that we now have a formal collaborative approach working alongside NHS Trusts and other third sector veterans' charities.

In early 2023, we commenced a pilot, working for HM Prison and Probation Service (HMPPS), where our psychologists carry out clinical risk assessments as part of a prisoner's preparation for their parole board hearings. We are hoping to see that develop over the next year.

#### Patients and Service Users

Our patients and service users are at the heart of everything we do, and we are committed to working with them, their families and their carers, to deliver the best outcomes possible. To do this, it is vital that we seek, listen, and learn from their voice, ensuring their feedback and experiences are embedded from 'Ward to Board'. Patients and Service Users can feed back via the following ways:

- My Voice (Patient feedback) – Online and via paper copies.
- Complaints, Concerns, Comments and Compliments – via post, email, telephone, in person, advocacy.
- Carers Centre – Drop-ins and booked visits with loved ones.
- Community meetings.
- Divisional Service User Groups.
- Patients have direct access via ward telephones and can contact: PALS (Patient Advice and Liaison Service) and Complaints, CQC (Care Quality Commission), PHSO (Parliamentary and Health Service Ombudsman) and Advocacy (Together), at any time.

Patients are directly involved in the recruitment of many staff roles, including the appointment of Trustees and were actively involved in developing our five year strategy. In addition, Patient and Carer Experience Governors have been appointed, including those with lived experience, to ensure that the patient voice is given the highest priority during any final decision-making.

## **St Andrew's Healthcare**

### **Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)**

#### **External Stakeholder Reviews of Our Services**

Our patients are our number one priority and we strive to give them the best care, whilst ensuring all of their complex needs are met.

Over the past year, we have combined our Northampton inpatient services into one CQC registered service, in addition to our services at other locations. At the point of publication we have three at 'Good', four at 'Requires Improvement' and none as 'Inadequate'. Across all our sites, we are constantly seeking to improve the quality of care and outcomes we deliver for our patients and service users. In order to do this, we have implemented robust plans that will address issues highlighted by the CQC.

Another important element to support our patients' needs has been to take a more active role in the East Midlands and West Midlands Provider Collaboratives and work with our NHS partners to make sure that as many patients as possible receive their care closer to home. By working in this way, we are playing a critical role in supporting local healthcare systems to use their collective resources most effectively, delivering consistent outcomes and keeping people and families connected.

Throughout the year, as part of our Quality Improvement programme, we worked with some highly experienced and knowledgeable people from NHS Trusts. By 'buddying up' and sharing expertise and examples of what works, and what does not, we were able to make significant changes, which has ultimately improved patient care. While these formal partnerships have now finished, we continue to work together on an informal basis to continue to build relationships and share best practice.

As always, we welcome scrutiny, as it provides an opportunity to reflect and to continue to make changes to improve the experiences and outcomes for our patients and staff. The CQC regulates us, but other bodies also review aspects of our work. These include NHS England, NHS Wales, the Safeguarding Boards for Adults and Children in the areas where we operate, the Charity Commission, Health and Safety Executive and Ofsted.

#### **Vocational Services and Recovery**

Workbridge Education offers a vocational skills route into volunteering or employment as part of a patient's recovery. We also support external service users with learning needs, ASD, acquired brain injury or mental health illness to access our services.

Our learners can access vocational sessions through one of five hubs where they have the opportunity to work towards an accredited employability qualification, gain meaningful work experience and may work towards their Duke of Edinburgh award or a Skills and Communities Award.

Over the past 12 months, c65,000 hours' worth of sessions were booked for Workbridge vocational education sessions. We have grown our overall sessions offered and currently have a mix of 48% patients and 52% external service users.

In addition, Our REDS Recovery College (Recovery and Every Day Skills) supported over 3,000 learners (Patients, Staff, Students, Volunteers and Carers) across all our services in a wide range of topics. They also supported local external events and research projects. This ensures those with lived experience of mental health are sharing and using their voice to create powerful and impactful education, which makes a real difference.

# St Andrew's Healthcare

## Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)

### Education

St Andrew's College, which is a distinctive function overseen by a separate Board of Governors, is Ofsted rated 'Good' and provides our young people with the educational learning across a wide curriculum. Additionally, St Andrew's College has continued to deliver the 'LightBulb Mental Wellness Programme for Schools', which provides training and structured interventions for schools and school leaders to develop their policy, curriculum, governance, interventions and understanding, to ensure they provide a healthy culture around mental health for their staff, families and pupils. This service has reached over 50 schools and over 30,000 pupils through implementing this programme and has won a prestigious Pearson National Teaching Award for the work undertaken.

For our adult service users we have offered over 7,000 teaching sessions during the last year across our Northampton, Birmingham and Essex sites combined, offering support in a range of subjects and vocational qualifications.

### Staff Education and Career Development

Our staff were provided with over 29,000 days of learning, which is the equivalent of eight days per annum per staff member, ranging from mandatory training to long-term career development. In addition, our online learning platform enabled the completion of over 67,500 e-learning modules in a comprehensive range exceeding 140 topics.

To support the development of senior leadership talent we have facilitated a director development programme, arranged reverse mentoring and provided access to Master of Business Administration (MBA) programmes. With our network of internal coaches and mentors, we have provided around 500 hours of individual support to leaders, focused on helping them to improve their performance and achieve Charity goals.

We currently have 70 apprentices on various clinical and non-clinical programmes. In addition, staff access various innovative Higher Education programmes such as ASCEND (non-medical approved clinician training) and Masters in Advanced Clinical Practice.

Across the year, we have made 427 internal promotions and hosted over 500 students from UK universities across a variety of professions such as nursing, occupational therapy, psychology and medical students.

### Research and Innovation

Research was one of the three founding principles of St Andrew's when it was formed in 1838 and despite many changes in the intervening 185 years, it remains a key strategic goal for the Charity. In today's world of technological advancements and against a landscape of increasing competition for limited resources, innovation is the natural partner of research. Accordingly, research and innovation is a key focus for the Charity demonstrating the emphasis we place on finding and delivering improvements.

The new research strategy, which is focused on five core areas: physical health, trauma, community mental health, data and technology and precision medicine, was approved by the Board in 2022. Collaborations in these areas have delivered some exciting projects, such as a co-funded PhD that has generated the 'Move More toolkit', supporting staff in their aim to get patients to be more physically active.

We now have 42 projects in our current portfolio. This is made up of 28 research projects, 7 service evaluations and 7 Innovation/Service Development projects. We have initiated some new and exciting research programs, which, although at an early stage, have the potential to create a step change in the treatment of severe mental illness. We are collaborating with 15 UK universities and a number of mental health charities across these projects, whilst leading international conferences on trauma and moral injury.



## **St Andrew's Healthcare**

### **Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)**

#### **Volunteers**

We are very fortunate to have 321 volunteers at St Andrew's. Every individual has different reasons for becoming a volunteer, including being part of a team, the sense of achievement, giving something back, personal learning and development, making new friends and gaining valuable experience as particular highlights.

Our volunteers' commitment to the Charity's purpose and desire to have a meaningful impact to the services provided, means they put our patients first and enrich our patients' lives. We continue to be humbled by their dedication and involvement, which is a huge help to the Charity and the departments they support.

Thank you to all of our volunteers for going above and beyond for St Andrew's Healthcare.

#### **Diversity and Inclusion**

At St Andrew's Healthcare, we know that diversity is one of our greatest strengths, contributing positively to our success and most importantly, to the care we provide for our patients. There is significant evidence that when diversity practices and trust co-exist in an organisation, it increases employee engagement, staff feel valued, and their wellbeing improves. With the healthcare system undergoing a period of significant change, we believe that creating a culture of inclusion is critical to being successful.

Our Diversity and Inclusion Plan is focused on achieving our Guiding Principle, as defined within our overarching Our St Andrew's People Plan to 'respect difference and treat people as individuals'.

As a Charity we take great pride in our diversity and inclusion initiatives, and we are extremely proud of our results. We have a diverse workforce, where 64% of our staff are female and almost a quarter of our staff are from an Ethnic Minority background. A core pillar of our Diversity and Inclusion Plan is to ensure leadership diversity and we continue to make progress in this area. In 2022 we welcomed a new female Chief Executive Officer and Chief Operating Officer to the Board of Directors and Executive Team.

#### **Inclusion Projects**

We have four established Employee Networks: PRIDE, DAWN (Disability and Wellbeing Network - covering physical disability, sensory, neurodiversity and mental health) UNITY and our WISH Network (Women in St Andrew's Healthcare). All Networks raise awareness, promote inclusive practice and engage staff in a number of events throughout the year.

Key highlights this year included:

- Our annual PRIDE walk with staff and patients.
- A Black History Month Conference.
- Celebrating International Women's Day.
- Rolling out menopause guidance for managers alongside support forums for staff.
- Holding various events for Mental Health Awareness week.

During 2022-23, we appointed a Head of Patient Co-Production and Inclusion for a 12 month secondment focused on increasing the diversity data we have available for our patients, expanding the work of our Staff Networks to further support patients and relaunching our patient and manager anti-racism training.

We continue to see fantastic results from our Peer Support Worker programme, which brings people with lived experience of mental health recovery to support our patients. We also continue to offer tailored unconscious bias training to all staff ensuring they have the tools needed to challenge their own decision-making and fully embrace diversity.

## St Andrew's Healthcare

### Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)

#### Streamlined Energy and Carbon Reporting ('SECR')

##### Summary

St Andrew's Healthcare's greenhouse gas emissions, reportable under SECR in 2022/23 were 7,526 tonnes CO<sub>2</sub>e.

These include the emissions associated within the UK grid electricity, natural gas consumption, F-gas refrigerants, gas, oil, and business travel in company and private vehicles by employees. St Andrew's Healthcare's greenhouse gas emissions were 5% lower than last year. The intensity of 0.066 tonnes CO<sub>2</sub>e per m<sup>2</sup> floor area is 5% lower than last year.

##### Boundary, Methodology and Exclusions

An 'operational control' approach has been used to define the Greenhouse Gas emissions boundary<sup>1</sup>. This approach captures emissions associated with the operation of all buildings, such as Residential Care Buildings, Staff Accommodation buildings, Day Centres, Offices and Workshops, plus company-owned vehicles, leased/rental cars and grey fleet transport used for business purposes. This report covers UK operations only, as required by SECR for Non-Quoted Large Companies.

This information was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, 2019.

Emissions have been calculated using the latest conversion factors provided by the UK Government. There are no material omissions from the mandatory reporting scope.

The reporting period is April 2022 to March 2023, as per the financial accounts. However, in order to maintain consistency, modifications were made to the calculations of the preceding three SECRs following the inclusion of taxi trips in the reported data for the year of 2022/23. During this reporting period the F-gas Refrigerant R452A was not present in 2022. Conversion factors provided by the government and the value for Refrigerants R407A was used to determine the tCO<sub>2</sub>e as they have similar properties.

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<sup>1</sup> An operational control approach to GHG emissions boundary is defined as: "Your organisation has operational control over an operation if it, or one of its subsidiaries, has the full authority to introduce and implement its operating policies at the operation".

# St Andrew's Healthcare

## Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)

### Streamlined Energy and Carbon Reporting ('SECR') - continued

#### Energy Efficiency Initiatives

The SECR legislation mandates that companies include in their Directors' Report some essential information on the energy efficiency initiatives they have undertaken during the financial year. In the reporting period of 2022/23, St. Andrew's Healthcare took the initiative to implement various energy efficiency measures, which are itemized below.

- St Andrew's Healthcare's strategic 'Green Plan' received Board approval and is now published on our website. The Green Plan is an important document for the Charity, which details how we will achieve many of the aspirations in this strategy and most importantly how the Charity will reach our commitment in supporting the NHS towards their Decarbonisation goals to achieve Net Zero emissions by 2035 and Net Zero supply chain by 2045.
- St Andrew's Healthcare participated in the Queen's Green Canopy (QGC) project through the planting of over 100 sapling trees which have been registered on the QGC map.
- We launched an electric car scheme for employees in partnership with Octopus Electric Vehicles (OEV).
- Significant enhancements to our Building Management System at our Essex & Birmingham sites together with ongoing optimisation strategies across all sites.
- LED lighting replacement schemes have been completed in a further 2 of our patient community houses and our Support Services Building in Northampton.
- New LED lighting has been trialed in selected areas of William Wake House & Birmingham as proof of concept for a major LED lighting project to complete in the year 2023/24.
- Through our waste services provider, our general waste recycle rate has increased from 34.4% last year to 37.15%.
- By recycling our unusable furniture, we have diverted 252 kg from going to landfill with a saving of 574 kg/CO<sub>2</sub>e.

### Streamlined Energy and Carbon Reporting ('SECR') - continued

#### Greenhouse Gas Emissions

Figure 1 Greenhouse gas emissions by year (tonnes CO<sub>2</sub>e)

Emissions source	2022/23	2021/22	2020/21	2019/20	Share (%)	2021/22 – 2022/23 Change %
Fuel combustion: Natural gas	3,635	3,808	4,305	4,080	48%	-5%
Purchased electricity	2,487	3,008	3,468	4,173	33%	-17%
Fuel combustion: Transport	199	155	165	275	3%	28%
Facility Operations (inc F-Gas)	1,205	953	1,032	1,374	16%	26%
<b>Total emissions (tCO<sub>2</sub>e)</b>	<b>7,526</b>	<b>7,924</b>	<b>8,970</b>	<b>9,902</b>	<b>100%</b>	<b>-5%</b>
Building Gross Internal Area (m <sup>2</sup> )	114,089	114,089	116,263	122,229		0%
<b>Intensity: (tCO<sub>2</sub>e per 1m<sup>2</sup>)</b>	<b>0.066</b>	<b>0.069</b>	<b>0.077</b>	<b>0.081</b>		<b>-4%</b>

# St Andrew's Healthcare

## Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)

### Streamlined Energy and Carbon Reporting ('SECR') - continued

Figure 2 Greenhouse gas emissions by scope (tonnes CO<sub>2</sub>e)

Emissions source	2022/23	2021/22	2020/21	2019/20	Share (%)	2021/22 – 2022/23 Change %
Scope 1	4,943	4,872	5,478	5,575	66%	1%
Scope 2	2,278	2,763	3,193	3,846	30%	-18%
Scope 3	305	289	299	481	4%	6%
<b>Total emissions (tCO<sub>2</sub>e)</b>	<b>7,526</b>	<b>7,924</b>	<b>8,970</b>	<b>9,902</b>	<b>100%</b>	<b>-5%</b>

Scope 1: Natural gas, F-Gas and company-operated transport. Scope 2: Electricity (generation). Scope 3: Losses from electricity distribution and transmission (T&D) and private vehicles used for business travel. This only includes emissions reportable under SECR (plus the voluntary F-Gas) and may not reflect the entire carbon footprint of the organisation.

### Energy consumption

Figure 3 Energy consumption by year (kWh)

Emissions source	2022/23	2021/22	2020/21	2019/20	Share (%)	2021/22 – 2022/23 Change %
Natural gas for heating	19,918,500	20,769,896	23,410,613	22,192,791	61%	-4%
Electricity	11,780,796	13,013,041	13,697,157	15,047,684	36%	-10%
Transport fuel	777,013	686,180*	742,889*	1,189,924*	3%	13%
<b>Total consumption (kWh)</b>	<b>32,476,309</b>	<b>34,469,117*</b>	<b>37,850,659*</b>	<b>38,430,399*</b>	<b>100%</b>	<b>-6%</b>

\*Taxi journeys were included for the first time in the figures for the financial year 2022/23 and for consistency have been added to previous year's scope 3 emissions

## St Andrew's Healthcare

### Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)

#### Structure, Governance and Management

##### Status and Structure

St Andrew's Healthcare is registered in England and Wales as a Company Limited by Guarantee and a registered Charity. It is governed by its Articles of Association. The Charity is registered with the Care Quality Commission (CQC), holds a provider licence from the NHS and is regulated by Ofsted.

The Charity is governed by a Court of Governors and a Board of Trustees. All Trustees are also Directors of the Company.

##### Court of Governors

The Governors are members of the Charity and at the date of signing the Statutory Accounts, there were 27 Governors, which included one Non-Executive Trustee Director and five Constituency Governors. There are also 14 Honorary Governors, who have been active in the past but now play less of a role within the Charity.

Active Governors		
Victoria Akinwumi	Nick Heygate	Rob Nelson
Anne Burnett	Robert Heygate	Rupert Perry
James Charrington	Crispin Holborow	Bukunola Popoola
Tim Davy	Sandy Howse	Lady Proby
Lord Charles FitzRoy	Frances Jackson	Stuart Richmond-Watson
Jane Forman Hardy	David Laing	Adrian Spooner
William Franklin	Amanda Lowther	Ria Stanyer
Dr Martin Gaskell	Oliver Mackaness	Johnny Wake
Dr Michael Harris	The Marchioness of Northampton	Peter Winslow OBE

The Court of Governors meets four times a year, which includes the Annual General Meeting, where the Governors receive the Annual Report and Accounts, elect or re-elect Trustees, and approve the appointment of the Charity's External Auditors. The Board also informs the Governors about the Charity's recent performance and future development during these quarterly meetings.

To ensure that key stakeholders have a voice in the overall direction and management of the Charity, there are five Constituency Governors, representing different groups of stakeholders. We currently have two representing Carers and three representing St Andrew's staff. Constituency Governors are appointed for an initial three-year term, which can be extended for a further three-year term.

Many of the Governors play a more active role in the Charity through ward and service visits, reviews of compliments and complaints, patient engagement and voluntary services, all of which provide an important form of assurance to the Governors and helpful intelligence to the Charity's Executive Team regarding current issues. Some Governors are also involved with Board Committees, such as the Audit & Risk Committee, Quality and Safety Committee and the Research Committee, and some are also Directors of the Pension Trustee Company.

The Lead Governor position is held by Oliver Mackaness, who was appointed in November 2022 on an initial three year term. This role aims to improve the efficiency and effectiveness of communication between the Governors and the Charity and its Trustees. The Lead Governor attends Board of Directors meetings and is supported by a small group of experienced Governors, and together they assist in developing existing Governor processes and understanding across the Charity, as well as attending a number of Board Committees.

## St Andrew's Healthcare

### Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)

#### The Board of Trustees

The Board of Trustees operates as a Unitary Board, which means that it has a single board of Directors, made up of Executive and Non-Executive members. The Board is currently comprised of seven Non-Executive Directors and five Executive Directors. The Executive Directors are also members of the Charity Executive Team. In addition to the Trustees, members of the Charity Executive Team are in attendance at Board meetings.

There are no corporate Trustees and no Trustees hold title to property belonging to the Charity. No one person is entitled to appoint Trustees, with Trustees appointed via the Nomination and Remuneration Committee and confirmed at the Annual AGM.

All new Trustees are required to undergo a comprehensive induction programme, to introduce them to the Charity and explain their obligations as Trustees. This includes visits to our service facilities, discussions with Executive Directors, our corporate induction, and any appropriate training, including Board related development.

Non-Executive Trustees are appointed for an initial three-year term, which can be extended for a further three-year term. Four Non-Executive Trustees stepped down from their roles, Elena Lokteva (31 January 2023), Professor David Sallah (31 August 2022), Stuart Richmond-Watson (25 November 2022) and Professor Stanton Newman (30 September 2023) with four new Non-Executive Trustees, Dawn Brodrick (1 September 2022), Karen Turner (1 September 2022), Stephen Shrubbs (1 October 2022) and Rupert Perry (26 November 2022) appointed.

The Board considers the Non-Executive Trustees to be independent. All Non-Executive Trustees, except for the Rt Hon. Paul Burstow, have no financial or other business relationship with St Andrew's and act as Non-Executive Directors on an unpaid (with expenses reimbursed) and voluntary basis. The Rt Hon. Paul Burstow is remunerated for being the Chair, in light of the time commitment required.

#### Non-Executive Directors/Trustees:

Name	Office (if any)	Dates acted if not for a whole year
Rt Hon. Paul Burstow	Charity Chair Chair of Governors	
Stuart Richmond-Watson		Resigned 25 November 2022
Andrew Lee	Chair – Finance Committee	
Elena Lokteva		Resigned 31 January 2023
Professor Stanton Newman		Resigned 30 September 2023
Professor David Sallah		Resigned 31 August 2022
Ruth Bagley	Designated Non-Exec for Safeguarding Chair - Nomination and Remuneration Committee Chair - St Andrew's College Governing Body	
Dawn Brodrick	Chair – People Committee	Appointed on 1 September 2022
Karen Turner	Chair – Research Committee	Appointed on 1 September 2022
Stephen Shrubbs	Chair – Quality & Safety Committee	Appointed on 1 October 2022
Rupert Perry	Chair – Audit & Risk Committee	Appointed on 25 November 2022

## St Andrew's Healthcare

### Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)

#### Executive Directors/Trustees:

Name	Office (if any)	Dates acted if not for a whole year
Jess Lievesley	Interim Chief Executive Officer	Resigned on 30 June 2022
Martin Kersey	Managing Director of Education, Research and Training	Resigned on 31 August 2023
Dr Sanjith Kamath	Executive Medical Director	
Andrew Brogan	Chief Nurse	Resigned on 30 June 2023
Kevin Mulhearn	Chief Finance Officer	
Dr Vivienne McVey	Chief Executive Officer	Appointed 1 September 2022
Dawn Chamberlain	Chief Operating Officer	Appointed 19 September 2022

During the year, Jess Lievesley stepped down from his role as Interim CEO and director on 30 June 2022, with Professor Oliver Shanley, the Charity's Special Advisor to the Board, assuming the interim CEO position until 31 August. Dr Vivienne McVey was appointed as Chief Executive Officer and Director from 1 September 2022. Dawn Chamberlain was appointed as Chief Operating Officer and Director from 19 September 2022. Andrew Brogan retired on 30 June 2023 and left his role as Chief Nurse. Martin Kersey resigned from his role as Managing Director of Education, Research and Training on 31 August 2023.

#### Officers:

Name	Office (if any)	Dates acted if not for a whole year
Duncan Long	Company Secretary	

#### Board Responsibilities

The Board is responsible for the overall leadership of the Charity, and for the approval and monitoring of the Charity's vision, values, purpose, long-term objectives, and strategy. The Board meets six times a year, with a Board plan in place to ensure that issues are discussed at the right time. In addition to the six scheduled meetings, the Board meets regularly throughout the year to discuss, review, and determine the Charity's Strategy, as well as to attend structured Board development sessions. The day-to-day running of the Charity is the responsibility of the Charity Executive Team.

In early 2021 the Board commissioned an external review of its Governance and Risk arrangements, with the final report and recommendations issued to the Board in August 2021. This year has seen the project develop and implement the recommendations, with revised Terms of Reference for Committees, Matters Reserved for the Board updated and underpinned by a revised Authority Matrix and new Board Code of Conduct. A programme of workshops covering Board dynamics, key roles and responsibilities and understanding of the regulatory environment has also been undertaken, facilitated by NHS Providers.

## **St Andrew's Healthcare**

### **Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)**

**The Board is supported by a number of committees:**

#### **The People Committee**

Provides assurance to the Board that the Charity's People Strategy and associated plan, structures, systems, and processes are in place and operating in line with best practice to support employees in the delivery of high quality and safe patient care. It seeks assurance that processes are in place to ensure the Charity meets its legal and regulatory duties in relation to its employees and that processes are in place to support optimum employee performance to enable the delivery of the Charity and People strategies.

The Committee meets at least quarterly and is chaired by a Non-Executive Trustee and consists of a further Non-Executive Trustee, one Executive Trustee and two members of the Executive Team. The Committee is regularly attended by the Chair of the Board, the CEO, and a Governor member of the Lead Governor Group.

#### **The Finance Committee**

Provides assurance, scrutiny and governance oversight of the financial management of the Charity, using the "5 F's" model of financial excellence: Financial Control; Financial Resources; Financial Information; Financial Management and Planning and Financial Investment. The Committee meets at least quarterly and provides performance and treasury updates to the Board, maintaining oversight of the budget and financial forecasting processes.

The Committee is chaired by a Non-Executive Trustee and consists of one further Non-Executive Trustees, four Executive Trustees and is attended by other members of the Executive Team as required and a Governor member of the Lead Governor Group.

#### **The Quality and Safety Committee**

Is responsible for seeking assurance on behalf of the Board on all aspects of quality and clinical safety, including standards of quality, safety, and effectiveness for clinical care, on the quality and effectiveness of the patient experience and on the effectiveness of clinical governance and risk management systems. It seeks assurance on all matters relating to compliance within the Charity of statutory requirements relating to mental health, together with defining the Charity's Quality Strategy, and monitoring the implementation and delivery of it. It also has responsibility for promoting learning and sharing for all areas of Quality and Safety activity, both from within and outside the Charity, including benchmarking with areas of recognised best practice where appropriate.

The Committee meets bi-monthly and is chaired by a Clinical Non-Executive Trustee and consists of a further three Non-Executive Trustees and three Executives, and is attended by senior management, and a Governor member of the Lead Governor Group.



## **St Andrew's Healthcare**

### **Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)**

#### **The Nomination and Remuneration Committee**

Makes recommendations to the Board regarding new Governors, Trustees, Board and Governor Committees, and nominates candidates for appointment to the Charity Executive and to Director positions of any of the Charity's Group Companies. It approves the remuneration policy for all employees and determines annually the pay and benefits packages of senior management. It also ensures there is an effective succession plan in place for the Board, and oversees Board development and training requirements.

The Committee meets bi-monthly and is chaired by a Non-Executive Trustee and consists of a further three Non-Executive Trustees and is attended by Executives and senior management, and a Governor member of the Lead Governor Group, along with external subject matter experts as required.

#### **The Audit and Risk Committee**

Provides assurance and governance oversight of the Charity's arrangements over governance, risk, audit, legal and regulatory compliance, and internal control systems. The Committee also provides a risk assurance function, focussing on ensuring adequate and effective risk management and assurance frameworks are in place, liaising with other Board committees in order to do so.

The Committee meets at least quarterly and is chaired by a Non-Executive Trustee and consists of a further two Non-Executive Trustees and is attended by the Chair of the Board, CEO, other Executives as required, senior management, Internal Audit, Governor members and representatives of the Charity's External Auditors.

#### **The Research Committee**

Provides strategic leadership and direction to the Charity's Research Centre and the approach to research and development. The Committee meets at least three times a year and is chaired by a Non-Executive Trustee and is attended by Executive Directors, a Governor member of the Lead Governor Group, as well as a mix of members from within the Charity and externally. These include: patient and carer representation, so that we can be sure we are taking their views into account; and members from external organisations with Research experience to provide additional knowledge and expertise.

#### **The Executive Team**

Has day-to-day responsibility for running the Charity, focussing on development and delivery of the strategy, delivering value-based outcomes for patients, and ensuring robust financial management and compliance.

The Executive Team is chaired by the CEO and is formed from Executives and Director level senior management from across the Charity, with representation from clinical, operational and support functions, and represents all divisions and services. The Executive Team meets on a weekly basis to discuss operational matters, with specific strategic and performance meetings held monthly.

#### **St Andrew's College Governing Body**

St Andrew's Healthcare operates a registered College within the Charity providing patients under the age of 18 with their education. This committee, chaired by a Non-Executive Director, provides strategic leadership and accountability to St Andrew's College by ensuring clarity of vision, ethos, and strategic direction. It seeks assurance as to the quality of education of all pupils attending the College.

# St Andrew's Healthcare

## Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)

### Remuneration Statement

Our Reward Strategy is designed to deliver market competitive remuneration for all employees, while recognising our status as a Charity.

As part of our Reward Strategy, we regularly benchmark salaries and our wider benefits package for all staff. For our Executive team, we have a published Remuneration Policy that describes how remuneration is positioned relative to the market, to ensure that we can attract and retain the talent we need. Accordingly, when making any decisions on pay, the Remuneration Committee considers pay levels in both the NHS and the wider private and charitable healthcare sector, as well as general market conditions.

We recognise the high expectations on our staff members in the continuous journey to improve standards, and we have continued to invest in our pay levels. In 2022/23, this included setting our minimum pay levels above the Real Living Wage for all employees, positively affecting over 2000 of our employees. Recognising the pressures encountered by our staff due to 'cost of living' during 2022, our employees received two pay increases in the year and in October 2022 we also awarded permanent staff at career levels A & B (2,699 employees) a one-off cost of living payment of £500.

We have a clear commitment to being an inclusive employer and we continue to monitor both gender and ethnicity pay gaps. The Charity's Gender Pay Gap ratio, which was published in 2023, showed the median pay gap of 2%, (from 3% in 2022), significantly better than the national pay gap of 15.5%.

Showing our commitment to transparency and being an inclusive organisation is important to us. The charity's Ethnicity Pay Gap ratio published internally and externally for the fourth time in 2023 shows a median ethnicity pay gap of -1% (compared to -5.4% in 2022). Our negative median pay gap means that employees from an ethnic minority background have a slightly higher overall rate when considering total remuneration (i.e. including unsocial hours). This compares to 2.8% nationally.

We continue to provide our staff with a range of benefits, development and wellbeing support, which help make St Andrew's a great place to work, grow and progress.

### Reference and Administrative Details

The Charity's name is St Andrew's Healthcare, its Charity number is 1104951 and its company number is 5176998. The principal and registered office address is Billing Road, Northampton, Northamptonshire, NN1 5DG.

Other names associated with the Charity include 'Workbridge' and St Andrew's College.

The consolidated financial statements of the Group incorporate the financial statements of St. Andrew's Healthcare (the 'Charity'), St Andrews Property Management Limited, Three Shires Hospital LLP and The Pavilion Clinic Ltd.

### Political Donations and Political Expenditure

No political donations or political expenditure have been incurred during the year (2022: None).

## **St Andrew's Healthcare**

### **Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)**

#### **Qualifying Third Party and Director Indemnity Provisions**

The Charity maintains Trustees' and Officers' qualifying third-party indemnity insurance to provide cover for legal action against its trustees and officers. This has been in place throughout the year and remains in place at the date of approval of the financial statements.

#### **Dividends**

No dividends were paid or recommended in the year (2022: Nil).

#### **Post Balance Sheet Events**

- On 20<sup>th</sup> July 2023, CQC published the report to rate Essex as Requires Improvement showing significant improvements in a variety of areas, with green 'Good' ratings in the Safe, Effective, Caring and Well-Led categories.
- On 20th September 2023 St Andrews Healthcare agreed a Property Security Charge with St Andrew's Pension Trustees Limited covering scheme deficits should the Charity enter into insolvency. The property charge ends September 2033, is for the lower of scheme deficit or £20m and relates to Lowther and Malcom Arnold House.

#### **Funds Held as Custodian Trustees on Behalf of Others**

The Charity manages cash and bank balances on behalf of some of its patients. A specific bank account is used for patient money to keep it separate from corporate money, and a patient money system called Harlequin is used to manage patients' individual accounts. The balance at 31 March 2023 was £2.4m (2022: £2.3m) and this account has been included in the Charity's Balance Sheet in both years.

#### **Employee Statement**

The Charity's policy on employment, training, career development and promotion for disabled people is as follows:

- Full and fair consideration of applications for employment made by disabled persons is given, having regard to their particular aptitudes and abilities.
- Continuing the employment of, and arranging training for employees who have become disabled persons while employed by the Charity.
- Training, career development and promotion of disabled persons is given by the Charity.

## St Andrew's Healthcare

### Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)

#### Statement of Trustees' Responsibilities

The Trustees (who are also Directors of St Andrew's Healthcare for the purposes of Company Law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company Law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with the United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of 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.

#### Independent Auditors

The Trustees/Directors who held office at the date of approval of this report confirm that: so far as they are aware:

- there is no relevant audit information of which the Charity's auditors have not been made aware of
- the Trustees/Directors have taken all the steps they should have taken as a trustee/director in order to make themselves aware of any relevant audit information and to ensure that the Charity's auditors are aware of that information.

## St Andrew's Healthcare

### Combined Trustees' and Directors' Report for the Year Ended 31 March 2023 (continued)

#### Financial Instruments

The group has exposures to two main areas of risk – liquidity risk (cash flow) and interest rate risk.

#### Liquidity Risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations, the group has credit facilities available. Given the maturity of the bank loan in note 19, the group is in a position to meet its commitments and obligations as they fall due.


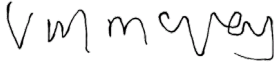
#### Interest Rate Risk

The group borrows from its bankers using term loans and recognising the increasing interest rate risk over the last year the Charity entered into a fixed rate agreement for the majority of the Revolving Credit Facility ("RCF"). This agreement was effective from 30<sup>th</sup> June 2023. The RCF is a basic financial instrument.

#### Approval and Signing

The Trustees/Directors declare that they have approved the combined Trustees' and Directors' report above.

Signed on behalf of the Charity's Trustees/Directors:

Signature(s):		
Full name(s):	Rt Hon. Paul Burstow	Dr Vivienne McVey
Position:	Chairman	Chief Executive Officer
Date:	20 November 2023	20 November 2023

# St Andrew's Healthcare

## Strategic Report for the Year Ended 31 March 2023

### Review of the Group's Business

#### Business Review

A financial review of the business has been carried out and is shown on pages 35 – 38.

#### Our 2028 Strategy

St Andrew's vision is a society in which everyone living with mental health need is heard, valued and has hope for the future. Within our 2023-2028 Strategy we have adopted seven co-produced ambitions which supports our mission that by 2028 we will be a leader in helping people with complex mental health needs transform their lives. The strategic ambitions are -

- **Voice:** Ensure everyone has an equal voice to drive change and reshape society's response to mental health
- **Social Impact:** Be part of our community and a trusted partner
- **Quality:** Lead the way through high quality care every day
- **Service Development:** Develop ground-breaking services to meet the needs of those we serve
- **Workforce:** Be a thriving workforce by doing the right thing
- **Learning & Research:** Transform lives through learning and research
- **Financial Sustainability:** Invest responsibly so we can be confident in our future.

Each of these seven strategic ambitions is supported by three key enabling programmes and each year there are clear milestones of achievement within the five year strategy. At the heart of everything we do remain the Charity values: compassion, accountability, respect and excellence.

Over the last year, the Charity has experienced external economical and inflationary pressures that continue to have a significant adverse impact on our financial position. To mitigate the financial challenges experienced and with the aim of providing sustainable high quality services and care to our patients, we launched our Thrive Programme in March 2023. This will run over the next two years supporting our Quality agenda through investment in front line and clinical staff and ensure the Charity has the financial sustainability to support the longer-term strategy.

The Charity will adopt an internal reporting structure focused on three business units; Clinical Services, Estates & Commercial and Education, Research & Training (ERT). These will be underpinned by Corporate Services who will support all areas.

# St Andrew's Healthcare

## Strategic Report for the Year Ended 31 March 2023 (continued)

### Principal Risks and Uncertainties and Risk Management Statements

To support the delivery of high quality care to our patients, it is important for us to identify and understand the risks and uncertainties that could disrupt our care activities or could lead to loss or damage to our resources and properties. The better we are at anticipating and managing risks and uncertainties, the more effective and reliable we can be in delivering values-based patient outcomes and our strategic objectives.

This report on Principal risks, serves as an essential component of our annual year-end accounts submission. It outlines the journey of risk management within St. Andrew's Healthcare over the past year, highlighting the advancements and improvements made in our functional risk management processes, the stability of our material risk management procedures and the continued development of our strategic risk management process.

Supported by a dedicated Risk Management function, our managers identify these risks and uncertainties and record them in 'risk registers' held within our automated risk management system, identifying who is responsible for monitoring and managing the risk, and whether any additional actions are required to reduce the uncertainty with the risk to an acceptable level. In accordance with good practice, the Charity maintains a hybrid model of risk management that includes a "Top-down" and a "Bottom-up" approach to identify and manage our three categories of risks, which are Strategic, Material and Functional. We classify Strategic Risks as Principal Risks.

Strategic risks include such risks that are inherent to the delivery of the Charity's strategic objectives. The Strategic risks maintain a relationship with the Functional risks as well as with Material risks. Material risks are risks which, by their potential impact or likelihood, could significantly impact the achievement of the Charity's operational objectives, with Functional risks impacting operational objectives and day to day activities across all functions.

Where managers identify a risk or uncertainty they believe could affect the wider Charity, it is considered for escalation to the Material Risk Register. These risks are reported to our Executive Team for review and discussion. If the Executive Team members collectively agree, these significant risks are adopted as 'Material Risks'. They are added to the register of 'Material Risks', assigned an overall Executive owner and allocated to the relevant Board Committee for monitoring and oversight purposes. The Material Risk Register is reviewed by the Executive Team on a monthly basis, and every individual 'Material Risk' is reviewed at agreed intervals by the Risk Team with the Executive owner. Board Committees regularly review the Material Risks allocated to them for oversight and may request deep dives into any of the risks as required.

Our Board of Trustees is responsible for ensuring the arrangements for identifying and managing risks are appropriate, and they review these (along with the Strategic and Material risks) at least annually. The Audit and Risk Committee, who meet on a quarterly basis, review the register of 'Material Risks' at each meeting and monitor the risk management arrangements throughout the year to satisfy themselves that the approach is working effectively. They also provide oversight on the Strategic Risk Management process, ensuring that it is effective and enables the appropriate level of engagement in relation to risks. Additionally, the appropriate Board Committees can initiate structured 'deep dive' reviews of each of the Principal Risks that fall within their remit.

# St Andrew's Healthcare

## Strategic Report for the Year Ended 31 March 2023 (continued)

### Principal Risks and Uncertainties and Risk Management Statements (continued)

#### Developments during the Year 2022-23

##### FUNCTIONAL RISK REGISTER:

These are the day-to-day risks exposed at an operational and functional level. Each operating Division / Department maintains a risk register as part of its management responsibility. These registers are mainly populated by risks that affect the achievement of divisional/departmental objectives. Risks identified at local team level are escalated through the management structure for inclusion on the ORR where appropriate.

- Operational Divisional Management, along with function management identify, record, and report the functional risks
- A detailed review of these risks is performed at least monthly
- Divisional meetings have Functional Risk Management as a key agenda item, where the Chief Operating Officer reviews risks along with the Heads of Operations, Heads of Nursing, Clinical Directors and functional representatives.
- Risk discussion in a live environment on Datix
- Divisional Performance meetings feed into the Operational Delivery Committee (OpComm), which looks at thematic risks identified across one / more divisions. The OpComm confirms any risk(s) which may warrant an escalation to the Charity-wide Material Risk Register.

##### MATERIAL RISK REGISTER:

Material Risks which are escalated from core operations and enabling functions, are discussed at length at monthly Performance Exec Meeting. The Charity's Material Risks are bifurcated into two categories:

- Material Risks which are escalated from core operations and discussed at OpComm and an update provided to the Executive meeting.
- Material Risks which are escalated from enabling functions such as Finance, IT, Estates, etc. discussed at the monthly Executive Meetings.

All Material Risks are discussed by Executive Members, with the discussion being led and moderated by the Chief Executive Officer. The Material Risk Register is a live, working document and many of the risks will have a limited life span since it should be possible to reduce the risk to an acceptable level through the implementation of planned actions. Material Risks may be retired from the Material Risks register to the Functional Risk Registers, once they have been mitigated sufficiently.

##### STRATEGIC RISK REGISTER:

Strategic Risks are inherent risks to the delivery of the organisation's strategic objectives that should not change significantly over time. Their impact if the risk materialises would be critical to the Charity. Strategic Risks are managed via the Board Assurance Framework which is underpinned by the Charity's Risk Management System.

Strategic risks are scored using the same methodology as for material and functional risks and follows the current 5 x 5 scoring and rating process. The assessment of the overall assurance level for each strategic risk are rated using the Charity's existing assurance terminology.

A summary of our current Principal Risks and Uncertainties is shown in the following table, along with an explanation of what we are doing to address them. All of the risks described within this section are classified as Principal Risks within the Charity's Risk Management Framework and are considered to be important to the future development, performance and position of the Charity.



## St Andrew's Healthcare

### Strategic Report for the Year Ended 31 March 2023 (continued)

#### Principal Risks and Uncertainties and Risk Management Statements (continued)

Risk Theme	Risk Description	Management Response
<b>Quality of Services</b>	Failure to deliver high standards of clinical care and/ or deliver services compliant to the required regulations and standards may result in poor patient care, sub-optimal quality of services, and will result in regulatory breaches, regulatory interventions, reputational damage and potential financial implications.	<p>The provision of high-quality services is of utmost importance for the Charity. We take a cautious approach to risk of a sub-optimal quality of service, however we acknowledge that in order to achieve individual patient care, treatment and therapeutic goals there may be occasions when a low level of risk must be accepted. Where such occasions arise, we will support our staff to work in collaboration with those who use our services, to develop appropriate and safe care plans.</p> <p>Our service is underpinned by clinical and professional excellence and any risks that impact quality could have significant consequences for our patients. We maintain a well-established Charity-wide clinical governance framework, with focused clinical governance meetings held across different levels within our services, at ward, divisional and executive levels. The framework ensures that there are clear reporting lines so that any areas of concern are escalated promptly. We have an evidence-based Quality Improvement Program, which enables us to record and monitor the improvements we are making to address any concerns regarding the quality of services.</p> <p>Our Quality &amp; Safety Committee maintains oversight and seeks assurance on the effectiveness of clinical governance and risk management systems relating to quality and safety through regular reports and reviews at each of its bi-monthly meetings.</p>
<b>Financial Objectives</b>	Failure to achieve agreed financial objectives, control direct costs, together with lower than expected bed occupancy, will result in potential challenges for financial sustainability (including pressures on cash flow, bank credit facility and Level of reserves) of the Charity questioning its going concern.	The Charity is indirectly entrusted with public funds and must remain financially viable, while safeguarding the public purse. The Charity has no appetite for accepting or pursuing risks that would leave the organisation open to fraud or breaches of financial procedures. We strive to deliver our services within our budget

		<p>and financial plans and will only consider accepting or taking financial risks where this is required to mitigate risks to patient safety or quality of care.</p> <p>We have developed a Cost Improvement Programme to identify and deliver recurrent savings and reduce our fixed cost base. Delivery of savings is monitored by the Finance Committee. The Charity has a number of mechanisms in place to help us to deliver services within annual budgets, which include daily staffing establishment reviews, occupancy reporting, and regular budget reviews. We produce and monitor bi-weekly and long-term cash flow forecasts to ensure that the Charity can meet its short-term and long-term financial obligations.</p> <p>We have a well-established committee structure which helps us gain assurance regarding the delivery of our financial plans, including our Board nominated Finance Committee that maintains overall oversight on financial principal and material risks.</p>
<b>Workforce</b>	<p>Failure to attract, recruit and retain the right number of qualified and skilled staff will increase the likelihood of one or more of the following implications: Unsafe staffing levels across some or all services; Breach of regulatory / contractual requirements; Avoidable and undue pressure on existing staff affecting their morale and performance; Reduced health and wellbeing of workforce; Reputational damage, etc. All of which have the potential to impact the quality and safety of patient care and the delivery of strategic business plans.</p>	<p>The Charity is committed to recruit and retain staff who meet its high-quality standards and will provide ongoing development to ensure all staff reach their full potential. This key driver supports our values and objectives to maximise the potential of our staff to implement initiatives and procedures that seek to inspire staff and support transformational change, whilst ensuring the Charity remains a safe place to work. We adopt a conservative approach to manage this risk and for all decisions taken in relation to workforce We will not accept risks, nor any incidents or circumstances which may compromise the safety of any staff members and patients or contradict our values.</p> <p>To support our workforce we have an ongoing wellbeing programme through which staff can access our “In-house” occupational health service, a Specialist Trauma Counsellor, an Employee Assistance Programme, and a compassion focused staff support programme. We have a comprehensive People &amp; Organisational Development Plan and associated guiding principles in place that drive the recruitment initiatives and plans, along with a number of retention focused recognition programmes.</p> <p>Our People Committee maintains oversight and seeks assurance on the effectiveness of risk mitigation in this area through regular reports and reviews at its meetings.</p>
<b>Delivery Against Strategy</b>	<p>Failure to effectively monitor and report progress on the strategic initiatives will increase the likelihood of one or more of the following: (i) the non-achievement of our overall Charity Strategic Mission, (ii) the non-achievement of the Charity Strategic Ambitions (either in terms of timeframe or impact), (iii) the totality of the</p>	<p>To support the delivery of our new strategy, we are developing detailed Implementation Plans, which are linked to Divisional / Organisational strategic plans and monitored via various Programme Boards and dashboards, with regular oversight at Executive and then at Board.</p>

	ambitions does not equate to the delivery of the mission, and (iv) potential deterioration of, or loss of charitable agency.	Each of the Strategic Ambitions is supported by a local strategy or business plan, with key annual milestones in place for each ambition. The risks to achieving the milestones are being documented and captured within the Risk Management System and monitored by the Executive Team through regular reports and risk based discussions. We provide regular communications to staff to ensure that they are engaged with our strategy, and measure engagement through staff surveys.
<b>Reputation Management</b>	A failure to proactively manage known or knowable issues, or maintaining ineffective responses to serious incidents leads to reputational harm which impacts on the strategic, financial, operational, commercial and purpose-based interests of the Charity	<p>The Charity is committed to upholding its reputation and proactively manages issues and incidents that may be detrimental to it. Key to maintaining reputation is upholding a quality and safe service for our patients and service users, and operating the Charity in accordance with our values, culture and principles. Delivery of the new Charity Strategy is key to improving and maintaining the quality and safety of our services, as well as ensuring they are financially sustainable.</p> <p>We have well-established communications plans and responses to ensure that when an issue or incident does occur, which could impact the Charity's reputation, that this is mitigated as far as possible and key to these plans is learning the lessons of the initial event. Furthermore, we are actively maintaining a stakeholder engagement programme to proactively manage our relationships with key internal and external stakeholders to bolster those relationships and support the reputation of the Charity.</p>
<b>Cyber Risk and Resilience</b>	Potential weaknesses in cyber security strategy and arrangements could render the Charity's information systems and applications vulnerable to external or internal attack, increasing the risk of major systems disruption, data loss, 'ransom-ware' attack and potential financial impact.	<p>We have a well-established Information Security team and are continually improving our IT network and information systems to ensure that data is secure. We have brought about improvements to the privileged user management process, including the separation of privileged accounts and normal day-to-day accounts. We maintain Multi-factor Authentication as a secondary form of authentication for all Charity accounts. We are also continuing to work on Patch &amp; Vulnerability Management to remove the reliance on legacy applications and upgrade/refresh out of support infrastructure. This will reduce vulnerabilities within these systems/applications which create entry points for attackers.</p> <p>Our continued assurance activity as part of complying with the NHS Data Security &amp; Protection Toolkit has resulted in an annual level of "Standards Exceeded" being awarded, further supporting the continued mitigation of these risks.</p> <p>This is an area that the Charity continues to focus on to ensure our mitigating actions remain robust and effective and is actively monitored by our Executive Team, through the Audit and Risk Committee and by the Board of Directors.</p>

<b>Health and Safety Management</b>	Failure to comply in our duties under the Health & Safety at Work Act (1974) and other regulations could compromise patient and staff safety, potentially leading to fines and sentencing of individual prosecution and litigation. Failure to prevent and control the risk of violence and aggression towards staff could result in prosecution or enforcement by the Health and Safety Executive, and damage the reputation of the Charity and its standing with Commissioners, Patients and their families.	<p>The Charity holds patient and staff safety in the highest regard focussing on not compromising the safety of both. We therefore ensure our health and safety arrangements are effective, appropriate and adaptable to the broad range of activities our staff and patients are engaged in. However, recognising that clinical risk tolerance may on some occasions go above this, if it is in the best interests of patients to accept some therapeutic risks to encourage and improve patient recovery and to achieve the best outcomes.</p> <p>We take a cautious approach to address risks pertaining to Health and Safety management and take action to minimise risks to our staff. We continue to develop and improve our health and safety management system and a Health and Safety Business Partnership has been put in place. This is a key topic monitored by our Board of Directors and Executive Team.</p> <p>We have taken measures to minimise the risk of violence and abuse towards staff, based upon risk assessment, staff training, and thorough investigation of incidents to ensure that lessons are learned, so that work areas can be made as safe as practicable.</p> <p>Our Quality &amp; Safety Committee maintains oversight and seeks assurance on the effectiveness of our Health &amp; Safety systems through regular reports and reviews at its bi-monthly meetings.</p>
<b>Fire Protection compliance</b>	Failure to reduce the risk of fire, and ensure that people can escape safely if there is a fire, may put patients and staff at risk and could result in enforcement action by fire authorities.	<p>This is an area that the Charity has renewed its focus on to ensure our mitigating actions remain robust and effective and is actively monitored by our Board of Directors and Executive Team.</p> <p>Following a proactive review of arrangements, we are part-way through a focussed three-year plan (running from 2022/23 to 2024/25) to improve compliance with fire protection legislation across all of our sites. The plan includes improvements to fire doors, fire dampers, fire stopping and compartmentation, ductwork, sprinkler systems, fire alarms and emergency lighting.</p>

## St Andrew's Healthcare

### Strategic Report for the Year Ended 31 March 2023 (continued)

#### Section 172 Statement

The Trustees of St Andrew's Healthcare are aware of their requirement under s.172 of the Companies Act 2006, to act in the way they consider, in good faith, would most likely promote the success of the Charity for the benefit of its patients, employees and other key beneficiaries and stakeholders, and in doing so, have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Charity's employees;
- the need to foster the Charity's business;
- the relationships with suppliers, customers and others;
- the impact of the Charity's operations on the community and the environment;
- the desirability of the Charity maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Charity.

The Trustees have taken steps to incorporate the s.172 requirements as part of the matters and decisions reserved for the Board, with due consideration given to potential impacts and risks for our stakeholders. The Trustees take account of these factors before making strategic decisions that they believe are in the best interests of the Charity and are in keeping with the Charity's purpose to relieve suffering, give hope and promote recovery.

The Charity recognises that it remains in a period of transformation and of quality improvement, reflection and learning in response to a number of performance issues previously identified through our stakeholders, and the Trustees are aware of the significance of these areas when discharging their duties. Learning from previous decisions and actions, the Trustees ensure the Charity's Strategy, Vision and Mission consider the longer-term consequences for the Charity and its key beneficiaries and stakeholders. This is reflected in the revised Charity Strategy looking ahead to 2028 and beyond and laying the necessary foundations for the continued delivery of high quality care and recovery outcomes to our patients and service users through our quality first ethos.

The Board of Trustees regularly reviews our main stakeholders and how we engage with them and considers that the groups detailed in pages 30-34 are the Charity's key stakeholders. The Board looks at many ways to understand the respective interests of them and how they are properly considered in the Board's decisions. We have many ways of doing this, including reports and updates from members of management who directly engage with the stakeholders; direct engagement with them by the Trustees, membership and attendance of Board committees by representatives of the stakeholder groups and inclusion within Board papers of appropriate stakeholder interests in relation to proposed courses of action and potential decisions.

The section below provides examples of how we have engaged with them in the year, as well as demonstrating stakeholder considerations in the decision-making process.

# St Andrew's Healthcare

## Strategic Report for the Year Ended 31 March 2023 (continued)

### Section 172 Statement (continued)

#### Patients

At the heart of the Charity are our patients, delivering the best outcomes possible, and instilling hope. As such, it is crucial for the voice of our patients to be heard throughout the Charity, especially at Board level. Our Divisions and the Patient Experience Team have a range of initiatives to capture and act on patients' opinions and collaborate about decision making and service improvement, and a "Service and Patient Story" section is included on all Board agendas.

Trustees regularly attend our Birmingham, Essex and Northampton Service (BENS) bi-monthly meetings, to hear patients' views and concerns from across all three regional sites and services. The patient story is heard at every meeting of the Board of Directors and wherever possible patients attend an element of the Board meeting to share their experience and discuss topics of interest with the Trustees and senior management. If a patient is unable to attend in person, they may make a video to share, join via Microsoft Teams, or produce their own presentation to be shown to the Board. This year we have had patients give their point of view and experiences from community based partnerships, trauma based therapy, the REDS College and peer support, co-production and Dialectical Behaviour Therapy. There was also a session from two patients from Broom Cottage, who outlined their roads to recovery and a session on the Environment given by one of our patients from our Essex Hospital. These patient-led sessions directly influence the decisions made at Board in relation to patient services, and the impact of them is followed up at the relevant Board Committee.

Patient outcomes and their care is a central part of our Quality and Safety Committee. This Board Committee is chaired by one of our Non-Executive Trustees and includes three further Non-Executive and three Executive Trustees within its membership. The focussed discussions and seeking of assurances at these meetings help inform and support the decisions made in these areas by the Board and help shape the Quality element of the Charity's Strategy.

The Charity's patient experience survey, My Voice, aims to capture patient feedback so that the Charity can make the necessary improvements to their care. The survey is designed to help improve the patient experience, as well as their care, and is designed to be completed by patients in around 10 minutes. Whilst the results are anonymised, they do feed into updates at divisional and Charity-wide groups and meetings, are regularly discussed at the Quality & Safety Committee and are included in performance reports discussed at every Board meeting.

Where a significant event is planned that may or may not impact patients, a Quality Impact Assessment is completed and overseen by our Executive Trustees, ensuring any impact on the quality of care given to our patients is given the highest priority during the decision process. Quality Impact Assessments are also discussed at our Quality & Safety Committee.

The Charity's Strategy, overseen by the Board via the relevant Board Committees and at regular focussed Board Strategy days, has clear ambitions directly focused on the considerations of our patients, with agreed milestones co-produced with patients, carers and staff. The Charity Strategy is underpinned by supporting strategies and plans, including a Quality Strategy, which focusses on the attainment of high quality person-centred and equitable care for all, and a Co-production Strategy that creates a culture in which those with lived and living experience are also seen as experts and in which everyone is treated as an equal partner.

## St Andrew's Healthcare

### Strategic Report for the Year Ended 31 March 2023 (continued)

#### Section 172 Statement (continued)

##### Patients (continued)

The Board's People Committee, chaired by a Non-Executive Trustee, looks at all the Charity strategies relating to patient and carer engagement, patient co-production, staff engagement, diversity and inclusion, as well as the results and actions relating to both patient and staff surveys. As well as providing oversight and guidance on these strategies, the Committee provides a direct route to the Board agenda for patient, carer and employee focussed topics, ensuring that they remain a key element of Board decision making and are taken into account when discussing future Board strategies.

Ruth Bagley is the designated Trustee for Safeguarding. This Non-Executive working in conjunction with our Directors of Nursing, Chief Quality Officer and Executive Medical Director, ensures that the Board remains sighted directly on safeguarding events and procedures, enabling the ability to respond to patient safeguarding concerns at Board level.

##### Carers

We recognise that often our patients and service users are supported by a network of families, friends and carers and we welcome the experience and knowledge these carers contribute to our patients' and service users' recovery. In line with the principles of the Triangle of Care, it is key that we regard carers as partners and receive their input when making decisions that impact our patients and service users. To support this there is a Carer department that assists carers as required, as well as a support line that can be accessed from home, or all our hospital sites.

Within our Court of Governors are two constituency Carer Governors who bring lived experience to the group, as they are both carers of people accessing secure mental health services. Their valuable insights contribute to the discussions at the Court of Governors, to which Trustees regularly attend. Our Carer Governors also carry out regular visits to our wards and services, providing management with detailed reports on their observations and direct feedback from patients.

Regular feedback from our carers has contributed to a number of changes within our services, including the Patient and Carer Experience team supporting new admissions via contacting families and carers to raise awareness of the support that is available to them; specific ward welcome packs for Carers were developed to provide more information about what to expect when visiting a loved one and free accommodation is offered to families, carers and friends to support when visiting their loved ones.

##### Employees

The Charity recognises the value of its employees and volunteers and the important role they have to play in its success. There are annual surveys to capture information on employee opinion, which informs a yearly plan for improvement (You Said, We Did). Survey results are reviewed and monitored by the People Committee and also submitted for review and approval by the Board. In addition, there are frequent employee engagement forums where employees can raise any concerns and have discussions on Charity matters.

Last year, the Charity introduced the Lead the Change Programme. This employee-led programme, which commenced in April 2022 brought together a large cross section of employees from across the Charity, who collectively co-produced the way forward that would define the culture the Charity needed, whilst creating the environment for our employees to deliver high quality care for our patients every day. 95 "Change Leaders" have liaised with senior management, Governors, and Trustees, as well as with external partners and organisations. This initiative has now entered its next phase, which seeks to embed the cultural activities defined during the discovery phase. Regular updates on the progress being made are provided to both the People Committee and the Board.

# St Andrew's Healthcare

## Strategic Report for the Year Ended 31 March 2023 (continued)

### Section 172 Statement (continued)

#### Employees (continued)

The "Freedom to Speak Up" Guardians, along with the Lead Guardian, have continued to provide confidential advice and support to employees about any concerns, through helping to create a culture of openness and support and provide guidance to employees to speak up, working collectively to remove any barriers that stop our employees from doing so. Regular reports on all these topics are shared directly with the Trustees at both the Board and through the Audit & Risk Committee and People Committee.

The Charity maintains four focussed employee Networks that support the Charity's Diversity and Inclusion Strategy, namely WiSH (Women in St Andrew's Healthcare), Unity (focussing on Black, Asian, Minority and Ethnic), DAWN (focussing on disability and wellbeing) and PRIDE (focussing on LGBTQ+). All these Networks have Executive sponsors and our Executives also actively take part in Network meetings and events, allowing the Board to remain sighted with any emerging discussions, themes or issues and the ability to consider them when making decisions.

Our Court of Governors also includes three dedicated Staff Governors, in order to bring the views and different experiences of the Charity's employees to the discussions at the Court of Governors, and therefore discussed with our Trustees.

#### Governors

Whilst the Trustees understand their obligations to the Charity as Directors, the Charity operates an additional level of oversight through its Court of Governors. The Trustees meet with our Governors formally, four times each year, to provide updates on the Charity's performance and ability to meet its strategic objectives. This allows our Governors the opportunity to ensure that our Trustees are meeting their statutory obligations toward the Charity and acting in a way that promotes its success.

The introduction of the Lead Governor position, along with the forming of the Lead Governor Group, has positively increased the level of interaction and communication between the Court of Governors and the Trustees. These Governors regularly attend Board and Board Committees and there are regular meetings held between the Chair of the Charity, Chief Executive Officer, and Lead Governor. This continued increased interaction and discussions has seen a demonstrable improvement in the communication between the Court and the Trustees and an increased level of assurance gained by the Court through the increased level of scrutiny.

The majority of Governors perform ward and service visits, using a structured Visits Programme to review the care provided and feed this back to ward management, the Executive Team, and the Board. The visits programme is regularly reviewed by members of the Lead Governor Group, our Constituency Governors, Governance Administrator and Company Secretary, in order to ensure that all areas of the Charity are included. In particular, Governor visibility on the wards gives an opportunity for both patients and staff to provide direct feedback that helps Governors in their role of holding the Charity's Board to account. Visits can also aid the improvement in Charity-wide services, as they contribute to the sharing of good practice, as well as the highlighting of areas of potential concern that require follow-up with management. In the past year, there have been a wide range of Governor visits undertaken covering all of the Divisions and sites, along with some of the support functions including the Laundry, Workbridge and the Kitchens.

Governors have an important role of reflecting the interests of the communities and the Charity they represent and bring valuable perspectives and contributions on their behalf to improve the Charity's health services for the future.



# St Andrew's Healthcare

## Strategic Report for the Year Ended 31 March 2023 (continued)

### Section 172 Statement (continued)

#### Governors (continued)

In addition to the Lead Governor Group, a number of Governors continue to sit on Board sub-committees, such as the Audit and Risk, Nominations and Remuneration, Quality and Safety, Research and People Committees, as well as a number of Governance Groups, providing valuable contributions to discussions and to the decisions taken.

#### Regulators

As a result of the care that the Charity provides, we are subject to review through a number of external regulators. Our Trustees are committed to working closely with our regulators and taking account of their views. To this end the Charity meets regularly with a variety of these regulators to discuss ongoing matters but also to seek advice and guidance on decisions, including the Care Quality Commission and the UK Health Security Agency.

As a provider of health and social care, Care Quality Commission standards must be met. We run our own internal quality assessments and have governance and reporting systems to monitor how services are doing. We work in a collaborative and transparent manner with our regulators to enable good service user outcomes. Governance and effective communication are key in fostering these relationships. The openness and level of cooperation of this relationship is set by the tone at Executive level, where there is continuous engagement with the regulators. This is reflected locally, where heads of service develop and maintain relationships with inspectors.

The Charity's Board of Directors continue to hold part of their meetings as a Meeting in Public, with the agendas and papers shared on the Charity's website, allowing regulators, commissioners, partners, members of the public and other interested stakeholders to access and review discussions and decisions taken by the Board, as well as to raise questions in relation to the meeting's agenda. The Public element of Board meetings is also held as a "live" meeting via Microsoft Teams, allowing regulators and key stakeholders to dial in and observe the meeting as it takes place. A recording of the public meeting is also posted to the Charity's website, further fostering transparency.

#### Suppliers

The Charity works with a wide range of suppliers, the majority situated within the UK. We remain committed to being fair and transparent in our dealings with all of our suppliers and wherever possible prioritising smaller suppliers in the local community.

The Charity undergoes due diligence before appointing any new suppliers, including a review of their internal governance, for example, their anti-bribery and corruption practices, data protection policies and modern slavery matters.

The Company has systems and processes in place to ensure suppliers are paid in a timely manner.

# St Andrew's Healthcare

## Strategic Report for the Year Ended 31 March 2023 (continued)

### Section 172 Statement (continued)

#### Partners

Due to the nature of the Charity, we work closely with key partners throughout the country and value the role that they play in shaping our strategy. To support the Trustees in understanding this wide range of views, the Charity encourages open dialogue with our partners through a number of channels. We also work jointly with partners on initiatives both regionally and nationally that promote our mutual success and the best outcomes for our patients.

The Charity's revised Strategy contains specific strategic ambitions and milestones relating to being an outward facing organisation, with ambitions and objectives focused on engaging with communities, as well as new or existing partners. We aim to build new partnerships where we can share expertise and experience for the benefit of people with complex mental health need.

As a Charity we continue to develop research and education opportunities, foster strong external engagement that ensures future service offerings are built on partnerships and a widening of our range of partners and external stakeholders, along with co-production and advocacy. The Charity is a member of numerous Alliances and Provider Collaboratives within the East and West Midlands and continues to grow these partnerships via collaborative Board meetings. There are also corporate partnerships identified and being developed. The development of these collaboratives and alliances is reviewed regularly by our Trustees via Board and Board Committees.

Alliances aim to build strong relationships with our NHS Partners and look at the direction and development of services, and are therefore an integral part of our future decision making processes. The Provider Collaboratives place the emphasis on collaboration rather than competition with providers to drive better patient outcomes. This has been particularly evident in the forming of a comprehensive quality improvement programme to help address some of the issues highlighted by our external regulators, delivered in partnership with members of the East Midlands Mental Health Alliance and led by Northamptonshire NHS Foundation Trust. Through a series of "Buddy Workstreams" our partners within the Alliance have supported the Charity on its improvement programme in areas such as patient safety, culture, lessons learnt, quality improvement, workforce safeguarding and communications. As part of this formal buddying arrangement, the Charity was able to welcome a senior employee from NHFT in the role of Quality Improvement Director who led the Quality Improvement Programme. The programme is now being absorbed into business as usual, with regular updates to Trustees via the Quality Safety Committee and to the Board.

As well as building relationships with the Alliances, The Charity has been working with the Northamptonshire Mental Health Collaborative, part of the Northamptonshire ICB, looking at existing services, and future developments, especially regarding step-down and move-on service provision.

Community based partnerships continue to be created in line with our Strategy, with dedicated ambitions relating to Community Services. Representatives of the division have attended both the Quality and Safety Committee and Board to provide insight on the diverse nature of services provided and discuss the direction of future community partnerships, having a direct impact on decisions taken by the Board.

Our Trustees also work closely with key partners such as NHS England, Care Quality Commission and Commissioners to build understanding and awareness of the Charity's decisions and activities.

## St Andrew's Healthcare

### Strategic Report for the Year Ended 31 March 2023 (continued)

#### Key Performance Indicators

The Group measures its results using Key Performance Indicators ('KPI's'). Non-financial KPI's are included in the Combined Trustees' and Directors' report and the main Financial KPI's are shown below:

KPI		Metric	2023	2022	Movement (%)
In-patient occupancy	Annual Avg	Volume	604	576	+4.9
In-patient occupancy % of available beds	Annual Avg	%	86	83	+3.6
Deficit	Annual Total	£m	(4.7)	(12.0)	+60.8
Loan balance	at 31st March	£m	(20.0)	(20.0)	-
Investments held	at 31st March	£m	17.1	17.3	-1.2
Cash balance held	at 31st March	£m	15.1	10.9	+38.5
Current Assets to Current Liabilities ratio	at 31st March	Ratio	1.06:1	0.6:1	+80.7

#### Financial Review of the Group

##### Income of the Group

	2023 £m	2023 %	2022 £m	2022 %
<b>Income from:</b>				
Donations	0.2	0.1	(0.2)	(0.1)
Charitable Activities	170.0	87.1	158.0	87.3
Other Trading Activities	24.7	12.6	22.9	12.6
Investments	0.4	0.2	0.3	0.2
<b>Total Income</b>	<b>195.3</b>	<b>100.0</b>	<b>181.0</b>	<b>100.0</b>

##### Charitable Activities

- St Andrew's receives almost all of its income from NHS commissioners, either directly from NHS or via Regional Provider Collaboratives and Integrated Care Boards (ICBs), who aim to place patients with complex mental health needs with appropriate providers of care. The funding from NHSE, Regional Provider Collaboratives and ICBs is linked to each patient and paid mainly on a daily rate for the period they are in our care.
- We receive funding to support the provision of education for our patients, from the Education & Skills Funding Agency (ESFA) and Local Authorities. In addition, we operate regional commercial contracts delivering specialist services through our Community Partnerships team and St Andrew's Workbridge where we support external service users. We also generate income from our retail services including Café, shop and Garden Centre.
- In total, funding received for charitable activities was £170.0m (2022: £158.0m), an increase of 7.6% on the previous year. This increase was as a result of the growth in occupancy during the year as the Charity recovered from Covid and other constraints over the last few years.

# St Andrew's Healthcare

## Strategic Report for the Year Ended 31 March 2023 (continued)

### Financial Review of the Group (continued)

#### Income of the Group (continued)

We also receive income from other trading activities, mainly Three Shires Hospital LLP, which receives income from insurance companies and NHS bodies for general medical care totaling £23.6m (2022: £19.5m). Total from other trading activities was £24.7m (2022: £22.9m) in the year, which was an increase of 7.9% from the previous year. Income from investments in the year was £0.4m (2022: £0.3m).

Periodically we receive donations due to the generosity of our supporters, including ex-patients and their families. The Charity also receives a gift aid payment each year from St Andrews Property Management Limited representing the annual operating profits of that company. The Group does not currently actively seek donations from the public and as such does not undertake to be bound by any voluntary scheme or standard for regulating fundraising.

#### Expenditure of the Group

	2023 £m	2023 %	2022 £m	2022 %
<b>Expenditure on:</b>				
Charitable activities	(178.8)	90.3	(173.3)	90.2
Other trading activities	(18.1)	9.1	(17.7)	9.3
Interest	(1.1)	0.6	(0.9)	0.5
<b>Total expenditure</b>	<b>(198.0)</b>	<b>100.0</b>	<b>(191.9)</b>	<b>100.0</b>
Total income less total expenditure	(2.7)		(10.9)	
Net (loss) / gain on investments	(0.4)		0.7	
Taxation	-		(0.1)	
Net expenditure attributable to non-controlling interests share	(1.6)		(1.7)	
<b>Total net expenditure attributable to Charitable Group</b>	<b>(4.7)</b>		<b>(12.0)</b>	
Other recognised gains	0.1		0.1	
<b>Deficit for year</b>	<b>(4.6)</b>		<b>(11.9)</b>	

We are extremely conscious of our duty not only to provide the best outcomes for our patients but to do so in an efficient manner. Our aim is to maximise the impact of every pound spent on delivering outcomes for our patients.

In 2022/23 the charitable activities total expenditure was £198.0m (2022: £191.9m), 3.2% more than in the previous year, but the increased costs were relational to the increased occupancy revenue as explained above.

Charitable activities accounted for 90.3% of the group's expenditure, amounting to £178.8m (2022: £173.3m), which was used in either directly caring for our patients or providing the infrastructure and enabling services required to make that possible.

The Group reported a £4.6m deficit (2022: £11.9m deficit) from underlying activities in the year, with the deficit reduction driven mainly by increased income.

# St Andrew's Healthcare

## Strategic Report for the Year Ended 31 March 2023 (continued)

### Financial Review of the Group (continued)

#### Forward Look

Following the launch of the Thrive Programme across the Charity at the end of March 2023, the Charity has invested in new structures in Clinical Services and invested in our front line staff to ensure the support and care for patients is of the highest quality. Over the next two years, there will be a variety of efficiency initiatives to our improve processes and systems, ensuring quality and financial sustainability for the Charity and the services we provide to our patients now and those in the future.

We continue to work closely with our commissioning partners to align our services to the patient needs and demands both locally and across the country for our bespoke services, providing agility to the services we provide and the evolving commissioning requirements.

The Financial Plan approved by the Board in March 2023 projects that the Charity will report a similar Net Deficit for 2023/24 (£4.6m), moving to a smaller Net Deficit in 2024/25 and a small Net Surplus thereafter. This Financial Plan is the base Financial Position for which the Going Concern review has been completed, where further risk scenarios have been modelled to ensure financial stability.

#### Summarised Balance Sheet of the Group

The Balance Sheet of the Group measures the assets and liabilities that the Group had on the final day of the year, 31 March 2023, and compares them with the same position a year earlier.

	<b>2023 £m</b>	<b>2022 £m Restated</b>
Tangible and intangible fixed assets	191.0	198.4
Investments	17.1	17.3
Current assets	29.7	27.1
Current liabilities	(27.9)	(46.0)
Long term liabilities	(19.0)	(0.1)
EFRBS pension liability	(0.5)	(0.6)
<b>Net assets</b>	<b>190.4</b>	<b>196.1</b>
Total funds of the Charity	188.1	194.0
Non-controlling interests	2.3	2.1
<b>Total funds</b>	<b>190.4</b>	<b>196.1</b>

The restatement referred to above is explained in note 26.

Tangible and intangible fixed assets comprise of £190.0m (2022: £196.7m) of tangible assets and £1.0m (2022: £1.7m) of intangible assets. This movement is due to depreciation and impairment charges of £11.1m (2022: £13.3m) and disposals. This reduction is offset by additional investment in fixed assets of £3.8m (2022: £3.4m) in the year.

Current assets of £29.7m (2022: £27.1m) are mainly cash of £15.1m (2022: £10.9m) along with debtors and stocks of £14.6m (2022: £16.2m). Our current liabilities of £27.9m (2022: £46.0m) are accruals, creditors and the bank loan of £1.0m (2022: £20.0m).

Part of the new three-year bank facility agreed in October 2022 is a £5.0m Term Loan with £1.0m annual amortisation which has been included in the current liabilities (£1m) with the balance of the drawdown included in long-term liabilities (£19m). Subsequently long-term liabilities have increased to £19.0m (2022: £0.1m). Prior year all of the loan was presented as current liabilities due to the loan maturity date in 2022.

# St Andrew's Healthcare

## Strategic Report for the Year Ended 31 March 2023 (continued)

### Financial Review of the Group (continued)

The Group has net current assets / (liabilities) of £1.8m (2022: (£18.9m)), and the Group remains in a strong balance sheet position with net assets of £190.4m (2022: £196.1m). The Group has £7m of headroom remaining within the current credit facility, ensuring the Group can comfortably fund any short-term financial requirements.

### Investments Policy

The Charity takes into account social, environmental and ethical considerations when selecting investments, and this extends to investments managed by external fund managers.

The Group holds investments with an overall objective to maximise the returns received while maintaining the capital value of investments in real terms over the long term. By the end of the financial year the investments had decreased by £0.9m due to adverse stock market movements. These investments are managed by Group's Fund Manager on a discretionary basis. The investments are held as part of the Charity Reserves Policy.

### Reserves Policy

The Charity Reserves Policy exists to ensure financial stability and assurance in the ability of the Charity to continue to operate as a Going Concern, meeting all liabilities as they fall due. The Charity Reserves are intended to provide a source of funds for circumstances including –

- Operating Reserve - short and medium term cash flow to meet all liabilities as they fall due.
- Unforeseen Reserve - cash flow to cover any material unbudgeted expenditure, unanticipated loss in funding, unexpected and extended material financial losses, strategic priorities and other unforeseen events creating longer term financial distress.
- Essential Maintenance Reserve - cash flow to cover unexpected repairs to critical assets to maintain ongoing services.

Charity Reserves are not intended to replace a permanent loss of income or eliminate an ongoing budget gap. It is the intention of St Andrew's Reserves to be used and replenished within a reasonably short period of time and such Reserves are intended to support the strategic priorities of the Charity.

The Charity has significant assets but utilises cash balances, investments and bank credit facility headroom to provide liquid resources to support the reserves policy, without adversely affecting the running of the business or quality of patient care.

The Board is sighted via the Finance Committee on the actual levels of reserves and how this compares to the Reserves Policy, along with regular reporting and monitoring of financial resources including bank covenants. The Charity's actual level of reserves continue to fall below the desired levels of the policy but a critical factor in reducing this gap in future years will be the Charity returning to a net surplus.

## St Andrew's Healthcare

### Strategic Report for the Year Ended 31 March 2023 (continued)

#### Going Concern

The Trustees have a responsibility to make sure that the Group continues in existence for the foreseeable future (at least 12 months from signing these accounts) and to do so they have to be assured that there are always sufficient funds to meet the Group's liabilities as they fall due.

The Trustees are confident that the Group remains a going concern, and have not identified any material uncertainty in their assessment. The Group has a bank facility that is sufficient to meet all foreseeable requirements, which is managed carefully and only drawn upon where additional funding is required. The existing banking credit facility was signed and commenced on 4 October 2022 at a level of £27m. The duration of the facility is three years, with a further two-year extension option, and structured to provide £27m loan from commencement but reducing by £1m per annum to £22m by 30 September 2027.

The Charity's financial plan for 2023/24 and beyond creates financial stability, through the implementation of the Thrive Programme. By 2025/26 it is projected that the Charity will be delivering a small surplus, with the ability to reduce down the loan facility if desired.

The Group's review of Going Concern has been extensive and included the financial impact to the Charity's Financial Plan over the period to 31 March 2025 of three key scenarios which are:

- operational staffing challenges increase costs, reflecting the ongoing national shortage of staff within the healthcare sector
- reduced admissions limiting the Charity's income
- delays in achieving all Thrive initiatives, reflecting that this is a new programme that has just been launched and delivery ongoing.

All of the downside risk scenarios would be challenging for the Group and would increase cash requirements. However, the additional cash that would be required remains within the available loan facility and without breaching any covenant restrictions. The impact was also modelled without any other alternative mitigating actions taken by the Charity.

Therefore, in the Trustees' opinion these scenarios would not compromise the Group's ability to continue as a Going Concern, with a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and withstand any worst case scenarios that could occur. For this reason, the Trustees continue to adopt the Going Concern basis in preparing the presented Financial Statements.

#### Approval and Signing

The trustees/directors declare that they have approved the strategic report above. Signed on behalf of the Charity's trustees/directors:

Signature(s):	<i>Paul Burstow</i>	<i>V M McVey</i>
Full name(s):	Rt Hon Paul Burstow	Dr Vivienne McVey
Position:	Chairman	Chief Executive Officer
Date:	20 November 2023	20 November 2023

## Independent auditor's report to the members of St Andrew's Healthcare

### Opinion

We have audited the financial statements of St Andrew's Healthcare (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Funds and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

### Basis for opinion

We have been appointed auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 the parent 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

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent 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 other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 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.

**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 Strategic Report and the Directors' Report, prepared for the purpose of company law, included in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Annual Report have been prepared in accordance with applicable legal requirements.

**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Annual Report.

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

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

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 Statement of Trustees' Responsibilities, 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 misstatements, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), Charities SORP (FRS 102), the Companies Act 2006, Charities Act 2011, Children and Social Work Act 2017, Care Standards Act 2014 and Data Protection Act 2018;
- We understood how the group is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board and other minutes and through our legal and professional expenses review;
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
  - Challenging assumptions and judgements made by management in its significant accounting policies
  - Identifying and testing journal entries, with a focus on unusual journals with specific risk characteristics and large value journals
  - Identifying and testing related party transactions
  - Inspecting the board and other committee minutes
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the charity sector
  - understanding of the legal and regulatory requirements specific to the group including:
    - the provisions of the applicable legislation
    - guidance issued by the Charity Commission.

- The team communications in respect of potential non-compliance with relevant laws and regulations included the potential for fraud in revenue through manipulation of income and management override of controls; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the group's control environment, including:
    - the policies and procedures implemented by the group to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations
    - the adequacy of procedures for authorisation of transactions and review of management accounts
    - procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

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

### **Use of our report**

This report is made solely to the charitable company's members and trustees, 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 and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

William Devitt BSc, FCA, DChA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Birmingham

Date: 20 November 2023

**St Andrew's Healthcare**  
**Consolidated Statement of Financial Activities**  
**For the Year Ended 31 March 2023**

		Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
				2023			2022
Note		£m	£m	£m	£m	£m	£m
<b>Income from:</b>							
		0.2	-	<b>0.2</b>	(1.0)	0.8	<b>(0.2)</b>
		170.0	-	<b>170.0</b>	158.0	-	<b>158.0</b>
		24.7	-	<b>24.7</b>	22.9	-	<b>22.9</b>
		0.4	-	<b>0.4</b>	0.3	-	<b>0.3</b>
		195.3	-	<b>195.3</b>	180.2	0.8	<b>181.0</b>
<b>Expenditure on:</b>							
		(178.8)	-	<b>(178.8)</b>	(173.2)	(0.1)	<b>(173.3)</b>
		(18.1)	-	<b>(18.1)</b>	(17.7)	-	<b>(17.7)</b>
		(1.1)	-	<b>(1.1)</b>	(0.9)	-	<b>(0.9)</b>
		(198.0)	-	<b>(198.0)</b>	(191.8)	(0.1)	<b>(191.9)</b>
		(2.7)	-	<b>(2.7)</b>	(11.6)	0.7	<b>(10.9)</b>
		(0.4)	-	<b>(0.4)</b>	0.7	-	<b>0.7</b>
		(3.1)	-	<b>(3.1)</b>	(10.9)	0.7	<b>(10.2)</b>
		-	-	<b>-</b>	(0.1)	-	<b>(0.1)</b>
		(3.1)	-	<b>(3.1)</b>	(11.0)	0.7	<b>(10.3)</b>
		0.9	(0.9)	<b>-</b>	-	-	<b>-</b>
		(1.6)	-	<b>(1.6)</b>	(1.7)	-	<b>(1.7)</b>
		(3.8)	(0.9)	<b>(4.7)</b>	(12.7)	0.7	<b>(12.0)</b>
<b>Other recognised gains / (losses):</b>							
		0.1	-	<b>0.1</b>	0.1	-	<b>0.1</b>
		(3.7)	(0.9)	<b>(4.6)</b>	(12.6)	0.7	<b>(11.9)</b>

Included above are all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# St Andrew's Healthcare

## Consolidated Balance Sheet

### As at 31 March 2023

		2023	2022
	Note	£m	£m Restated
<b>Fixed assets:</b>			
Intangible assets	15	1.0	1.7
Tangible assets	15	190.0	196.7
Investments	16	17.1	17.3
		<b>208.1</b>	<b>215.7</b>
<b>Current assets:</b>			
Stock		0.8	0.9
Debtors	17	13.8	15.3
Cash at bank and in hand	18	15.1	10.9
		<b>29.7</b>	<b>27.1</b>
<b>Current liabilities:</b>			
Creditors falling due within one year	19	(27.9)	(46.0)
<b>Net current assets / (liabilities)</b>		<b>1.8</b>	<b>(18.9)</b>
<b>Total assets less current liabilities</b>		<b>209.9</b>	<b>196.8</b>
Creditors falling due after one year	19	(19.0)	(0.1)
<b>Net assets excluding pension scheme liability</b>		<b>190.9</b>	<b>196.7</b>
EFRBS pension liability	22	(0.5)	(0.6)
<b>Total net assets</b>		<b>190.4</b>	<b>196.1</b>
<b>Funds of the Group:</b>			
Restricted funds	21	1.1	2.0
Unrestricted funds		187.5	192.6
		188.6	194.6
EFRBS pension reserve		(0.5)	(0.6)
		<b>188.1</b>	<b>194.0</b>
Non-controlling interests	8	2.3	2.1
<b>Total funds</b>		<b>190.4</b>	<b>196.1</b>

The restatement referred to above is explained in note 26.

The notes on pages 49 to 77 are an integral part of the financial statements.

The financial statements on pages 44 to 77 were approved by the Board of Directors on 20 November 2023 and were signed on its behalf by:

*Paul Burstow*

**Rt Hon Paul Burstow**  
Chairman and Trustee

*Kevin Mulhearn*

**Kevin Mulhearn**  
Chief Financial Officer and Trustee

Members of the Board of Directors of St Andrew's Healthcare Company number: 5176998

# St Andrew's Healthcare

## Company Balance Sheet

### As at 31 March 2023

		2023 £m	2022 £m
	Note		
<b>Fixed assets:</b>			
Intangible assets	15	0.9	1.6
Tangible assets	15	199.5	206.7
Investments	16	17.1	17.3
		<b>217.5</b>	<b>225.6</b>
<b>Current assets:</b>			
Stock		0.4	0.4
Debtors	17	11.3	11.8
Cash at bank and in hand	18	10.7	8.2
		<b>22.4</b>	<b>20.4</b>
<b>Current liabilities:</b>			
Creditors falling due within one year	19	(23.4)	(41.4)
		<b>(1.0)</b>	<b>(21.0)</b>
<b>Net current liabilities</b>		<b>(1.0)</b>	<b>(21.0)</b>
<b>Total assets less current liabilities</b>		<b>216.5</b>	<b>204.6</b>
Creditors falling due after one year	19	(19.0)	-
<b>Net assets excluding pension scheme liability</b>		<b>197.5</b>	<b>204.6</b>
EFRBS pension liability	22	(0.5)	(0.6)
<b>Total net assets</b>		<b>197.0</b>	<b>204.0</b>
<b>Funds of the Charity:</b>			
Restricted funds		1.1	2.0
Unrestricted funds		196.4	202.6
		197.5	204.6
EFRBS pension reserve		(0.5)	(0.6)
<b>Total funds</b>		<b>197.0</b>	<b>204.0</b>

The Charity has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of financial activity. The Charity's net loss before other recognised gains / (losses) was £7.1m (2022: net loss £12.4m).

The notes on pages 49 to 77 are an integral part of the financial statements.

The financial statements on pages 44 to 77 were approved by the Board of Directors on 20 November 2023 and were signed on its behalf by:

*Paul Burstow*

**Rt Hon Paul Burstow**  
Chairman and Trustee

*Kevin Mulhearn*

**Kevin Mulhearn**  
Chief Financial Officer and Trustee

Members of the Board of Directors of St Andrew's Healthcare Company number: 5176998

# St Andrew's Healthcare

## Consolidated Cash Flow Statement

### For the Year Ended 31 March 2023

	Note	2023 £m	2022 £m
			Restated
<b>Net cash from operating activities</b>	24	9.2	1.6
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		0.9	0.8
Dividend paid		(2.0)	(3.5)
Proceeds from the sale of property, plant & equipment		-	0.2
Purchase of property, plant & equipment		(3.8)	(3.3)
Proceeds from sale of investments		2.0	7.1
Purchase of investments		(2.2)	(2.8)
Other movement on investments		0.1	0.3
<b>Net cash used in investing activities</b>		<b>(5.0)</b>	<b>(1.2)</b>
<b>Cash flows from financing activities:</b>			
Cash inflows from new borrowing		-	0.2
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>0.2</b>
<b>Change in cash and cash equivalents in the reporting year</b>		<b>4.2</b>	<b>0.6</b>
Cash and cash equivalents at the beginning of the reporting year		10.9	10.3
<b>Cash and cash equivalents at the end of the reporting year</b>	18	<b>15.1</b>	<b>10.9</b>

The restatement referred to above is explained in note 26.

## St Andrew's Healthcare

### Consolidated Statement of Changes in Funds For the Year Ended 31 March 2023

	Restricted & unrestricted funds £m	EFRBS pension reserve £m	Non-controlling Interests £m	Group Total £m
Balance as at 1 April 2022	194.6	(0.6)	2.1	<b>196.1</b>
Net deficit in the year	(4.7)	-	-	<b>(4.7)</b>
EFRBS movement	-	0.1	-	<b>0.1</b>
Profit attributable to non-controlling interests	-	-	1.6	<b>1.6</b>
Dividend paid	(1.0)	-	(1.0)	<b>(2.0)</b>
Other movements	(0.3)	-	(0.4)	<b>(0.7)</b>
<b>Balance as at 31 March 2023</b>	<b>188.6</b>	<b>(0.5)</b>	<b>2.3</b>	<b>190.4</b>



# St Andrew's Healthcare

## Notes to the Financial Statements

### 1 General Information

St Andrew's Healthcare ("the Charity") is incorporated and registered in England and Wales as a Charity and as a private company limited by guarantee. The address of its registered office is Billing Road, Northampton, Northamptonshire NN1 5DG.

The Charity has no share capital and is limited by guarantee. Each of the members has a liability of £1 should there be a deficit of assets after meeting liabilities on winding up.

### 2 Accounting Policies

#### Basis of Preparation

The financial statements of the Group and Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102 (Charities SORP FRS 102 (2019)), the Companies Act 2006 and the Charities Act 2011.

#### Going Concern

The Trustees have a responsibility to make sure that the Group continues in existence for the foreseeable future (at least 12 months from signing these accounts) and to do so they have to be assured that there are always sufficient funds to meet the Group's liabilities as they fall due.

The Trustees are confident that the Group remains a going concern, and have not identified any material uncertainty in their assessment. The Group has a bank facility that is sufficient to meet all foreseeable requirements, which is managed carefully and only drawn upon where additional funding is required. The existing banking credit facility was signed and commenced on 4 October 2022 at a level of £27m. The duration of the facility is three years, with a further two-year extension option, and structured to provide £27m loan from commencement but reducing by £1m per annum to £22m by 30 September 2027.

The Charity's financial plan for 2023/24 and beyond creates financial stability, through the implementation of the Thrive Programme. By 2025/26 it is projected that the Charity will be delivering a small surplus, with the ability to reduce down the loan facility if desired.

The Group's review of Going Concern has been extensive and included the financial impact to the Charity's Financial Plan over the period to 31 March 2025 of three key scenarios which are:

- operational staffing challenges increase costs, reflecting the ongoing national shortage of staff within the healthcare sector
- reduced admissions limiting the Charity's income
- delays in achieving all Thrive initiatives, reflecting that this is a new programme that has just been launched and delivery ongoing.

All of the downside risk scenarios would be challenging for the Group and would increase cash requirements. However, the additional cash that would be required remains within the available loan facility and without breaching any covenant restrictions. The impact was also modelled without any other alternative mitigating actions taken by the Charity.

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 2 Accounting Policies (continued)

#### Going Concern (continued)

Therefore, in the Trustees' opinion these scenarios would not compromise the Group's ability to continue as a Going Concern, with a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and withstand any worst case scenarios that could occur. For this reason, the Trustees continue to adopt the Going Concern basis in preparing the presented Financial Statements.

#### Basis of Consolidation

The Group's consolidated financial statements include the financial statements of the Charity and all of its subsidiary undertakings:

- St Andrew's Healthcare, the Charity;
- St Andrew's Foundation for Mental Health, a wholly owned subsidiary of St Andrew's Healthcare (dormant since 2017);
- St Andrews Property Management Limited, a wholly owned subsidiary of St Andrew's Healthcare;
- Three Shires Hospital LLP, a subsidiary of St Andrews Property Management Limited; and
- The Pavilion Clinic Ltd, a subsidiary of Three Shires Hospital LLP.

All the subsidiaries of the Charity are incorporated in the United Kingdom and have a year end of 31 March. Uniform accounting policies have been adopted across the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. New subsidiaries included in the Group for the first time are consolidated from the date of acquisition.

#### Income

Income from charitable activities largely consists of fees for the provision of services and facilities to our service users. This is recognised when the service has been provided, the Charity has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Income from other trading activities consists of income generated by subsidiary undertakings through provision of services and income generated by the Charity in respect of its garden centre and coffee shop. This income is recognised to the extent that the service has been provided, or the significant risks and rewards of ownership have transferred to the buyer, receipt is probable and the income can be reliably measured.

Investment income in relation to dividends and interest is recognised when receivable.

Donations received that are restricted in nature are deferred on the Balance Sheet until qualifying expenditure has been incurred and then an appropriate amount of the donation income is released to the Statement of Financial Activities to match it. These are monitored through the Fundraising & Donations Committee. Donations received that are not restricted including gift aid amounts of profits from subsidiary undertakings are recognised in the Statement of Financial Activities once entitlement to the income has been determined.

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 2 Accounting Policies (continued)

#### Expenditure

Expenditure is accounted for on an accruals basis and is classified under headings that aggregate costs related to that category and includes estimations where actual cost data is unavailable. Liabilities are recognised when an obligation exists, it is probable that settlement will be required, and the amount can be measured or estimated reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred, or capitalised as part of the cost of the related asset, where appropriate.

#### Non-underlying items

In order to illustrate the underlying performance of the Group, presentation has been made of performance measures excluding those items which it is considered would distort the comparability of the Group's results. These non-underlying items are defined as those items that, by virtue of their nature, size or expected frequency, warrant separate additional disclosure in the financial statements in order to fully understand the underlying performance of the Group.

#### Employee Benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and pension plans.

- i. Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the year in which the service is received.
- ii. The Group has two types of pension schemes, defined contribution and defined benefit. The assets of these are held separately from each other and those of the Group in independently administered funds.
  - a. A defined contribution plan is a pension plan under which contributions are paid into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.
  - b. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. The contributions are recognised as an expense in the Statement of Financial Activity when they are due. A defined benefit plan is a pension plan that is not a defined contribution plan. The defined benefit plan was closed to new entrants on 1 April 2003 and closed to future accrual from 31 March 2012. The fair values of plan assets and liabilities are measured in accordance with FRS 102 by independent actuaries. Any surplus of assets over liabilities is not recognised as the Charity is not entitled to a refund of any of the surplus.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 2 Accounting Policies (continued)

#### Employee Benefits (continued)

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

If (and when) the defined benefit obligations exceed the fair value of plan assets, an amount equal to this is recognised as a liability in the Group's balance sheet.

#### Investments

Investments comprise investment properties, stock market investments and investments in subsidiaries & joint ventures. Investment properties are revalued by specialist independent valuers annually unless evidence gained indicates the market value has not materially changed from the prior year. Stock market investments are revalued using the latest available mid-market prices at the year end. Investments in subsidiaries & joint ventures are held at cost. Investment gains and losses are reported in the Statement of Financial Activities.

#### Stocks

Stock is included at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

#### Service Users Funds

The Charity holds cash in current accounts on behalf of Service Users. The asset (being the amount held at the bank) is shown within cash at bank and in hand and the liability (being the offsetting amount payable to Service Users) is shown within other creditors.

#### Cash at Bank and in Hand

Cash at bank and in hand includes cash and any short term highly liquid investments that are not volatile in value and have a short maturity of three months or less from the date of acquisition or deposit.

#### Financial instruments

##### i. Financial Assets

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets include trade and other receivables and cash, and bank balances are initially recognised at fair value, being the transaction price. Such assets are subsequently carried at amortised cost using the effective interest method.

Other financial assets, including investments in equity instruments that are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Consolidated Statement of Financial Activities.

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 2 Accounting Policies (continued)

#### Financial instruments (continued)

Basic financial assets are recognised at cost (being transaction price) and subsequently measured at amortised cost using the effective interest rate method. For trade and other receivables, cash and bank balances, their settlement value (net of any discount offered or provision for doubtful debt) is used to determine fair value. For investments in equity instruments which are not subsidiaries, market value is used to determine fair value. Any changes in fair value are recognised in the consolidated statement of financial activities.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in net income in finance costs or finance income as appropriate.

#### ii. Financial Liabilities

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price. Bank loans are subsequently carried at amortised cost, using effective interest rate method. They are then subsequently carried at amortised cost, calculated using the effective interest rate method.

#### Fixed Assets

Items classified as fixed assets are those that provide an ongoing economic benefit (by generating income or contributing to the Charity's objectives) for more than one year. Cost includes the purchase price of the asset, expenses attributable to bringing the asset to working condition, and any capitalised borrowing costs.

##### *Tangible Fixed Assets*

Tangible fixed assets are measured at cost, less accumulated depreciation, and any recognised provision for impairment. Depreciation is calculated to write down the cost of assets to their residual values, over their expected useful lives, on a straight-line method, on the following bases:

- Freehold land & buildings
  - Land: is not depreciated
  - New buildings: 50 years
  - New building fit-out: 3 years
  - Building extensions: 25 years
  - Building refurbishments: 10 or 15 years (major refurbishments)
- Assets under construction: are not depreciated
- Fixtures, fittings, machinery & equipment: 3 to 5 years (or the lease term if shorter)
- Motor vehicles: 5 years (or the lease term if shorter)

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 2 Accounting Policies (continued)

#### Fixed Assets (continued)

##### *Intangible Fixed Assets*

- i. Software is measured at cost less accumulated depreciation and any recognised provision for impairment. Software is depreciated in equal instalments over its estimated useful economic life (three to five years). Software assets in the course of construction are not depreciated.
- ii. Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis over its useful economic life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting year. The effect of any change is accounted for prospectively.

#### Funds

Unrestricted funds are available to spend as the Trustees see fit, in accordance with the objectives of the Charity.

Restricted funds are donations that the donor has specified are to be solely used for particular areas of the Charity's work.

#### Events after the balance sheet date

Events are reviewed after the balance sheet date to consider if anything material has occurred that needs to be disclosed in the annual report and accounts. Events are classified as either adjusting or non-adjusting events.

### 3. Accounting Estimates and Judgements

In the application of the Charity's accounting policies, which are described in note 2, management is 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 year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

- a. Critical Judgements in Applying the Group's Accounting Policies

#### *Control of Three Shires Hospital LLP*

Assessing whether the Group controls Three Shires Hospital LLP requires judgement. St Andrews Property Management Limited holds 50% of the issued share capital of the partnership and the Group has a controlling interest in this company through the provisions of a LLP members' agreement giving the Group the power to appoint the Chairman and under certain circumstances, exercise a casting vote. The Group considers that this demonstrates control of Three Shires Hospital LLP. See notes 8, 13 and 14.

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 3. Accounting Estimates and Judgements (continued)

#### *Assessment of Going Concern*

The ability of the Charity to continue to operate as a Going Concern requires judgement over the ongoing financial and operation projections and also the impact of risks that present themselves to the Charity. The consideration of risk requires management judgement at the point of going concern assessment and the judgements made are included on pages 23-28 of the strategic report.

#### Accounting Estimates and Assumptions

The preparation of these financial statements includes estimation; relevant estimates are disclosed below:

#### *Depreciation, Amortisation and Impairment of Fixed Assets*

When calculating depreciation and amortisation, the residual value of fixed assets (with the exception of land and assets under construction) is assumed to be zero, as the intention is to keep fixed assets for their entire useful economic lives. Residual values and useful economic lives are reviewed annually at the end of the reporting year, with any appropriate adjustments being made via depreciation, amortisation and impairment of fixed assets. See notes 7, 15 and 24.

#### *Defined Benefit Pension Scheme*

The value of assets and liabilities of the scheme are estimated annually by an independent and qualified actuary. The cost of the benefits and the present value of future obligations depend on a number of factors, including life expectancy, inflation, asset valuations and the discount rate. Assumptions made in relation to these factors are based on years of past experience and current trends. However, they are tested for accuracy on a regular basis, with appropriate recommendations being made by the actuary to ensure the scheme remains solvent. See notes 21 and 22.

The defined benefit surplus has been restricted to zero on the Balance Sheet as the criteria for recognition of an asset under FRS102 has not been met.

#### *Investment Property Valuations*

Investment properties are revalued annually (unless evidence gained indicates the market value has not materially changed from the prior year) by independent valuers using a combination of estimated future rental income and potential market value for development of the site. Whilst factors outside the control of valuers such as a global pandemic could affect property valuations, revaluations are based on years of past experience and current trends in the property market. See notes 16 and 23.

### 4. Income from Charitable Activities

Relates entirely to providing care for individuals either in inpatient or community based services.

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

<b>5. Income from Other Trading Activities</b>	<b>2023</b>	<b>2022</b>
	<b>£m</b>	<b>£m</b>
Three Shires Hospital LLP - healthcare activities	23.6	19.5
The Pavilion Clinic Ltd - healthcare activities	-	2.5
Other - healthcare related services	0.6	0.4
Rental income	0.5	0.5
<b>Total</b>	<b>24.7</b>	<b>22.9</b>
<b>6. Income from investments</b>	<b>2023</b>	<b>2022</b>
	<b>£m</b>	<b>£m</b>
Dividends received on investments	0.2	0.3
Interest received	0.2	-
<b>Total</b>	<b>0.4</b>	<b>0.3</b>
<b>7. Expenditure on Charitable Activities</b>	<b>2023</b>	<b>2022</b>
	<b>£m</b>	<b>£m</b> Restated
<b>Staff costs</b>		
Wages and salaries	122.4	118.2
Social security costs	13.1	10.5
Other pension costs	4.0	4.2
Training	1.2	0.9
Other	0.7	0.9
<b>Facilities and residents' amenities</b>	13.4	11.8
<b>Administration</b>	12.4	12.6
<b>Advertising</b>	0.1	-
<b>Depreciation of fixed assets</b>	11.1	13.1
<b>Loss on sale of fixed assets</b>	-	0.8
<b>External governance costs</b>		
External statutory audit	0.1	0.1
External legal advice	0.3	0.2
<b>Total</b>	<b>178.8</b>	<b>173.3</b>

The restatement referred to above is explained in note 26.

Staff costs include £0.1m (2022: £1.0m) in relation to redundancy and termination payments where individuals were notified during the financial year. £0.25m is accrued at the year-end (2022: £0.6m).

There are no non-underlying items in the year ended 31 March 2023 (2022: None).



# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 7. Expenditure on Charitable Activities (continued)

#### Expenditure on charitable activities by fund type

	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	2023 £m	2023 £m	2023 £m	2022 £m	2022 £m	2022 £m
Patient/Service User Services	120.8	-	120.8	117.9	-	117.9
Support Services	53.3	-	53.3	49.9	0.1	50.0
Education & Research	4.7	-	4.7	5.4	-	5.4
<b>Total</b>	<b>178.8</b>	<b>-</b>	<b>178.8</b>	<b>173.2</b>	<b>0.1</b>	<b>173.3</b>

#### Expenditure on charitable activities by activity type

	Grant				Grant			
	Activities undertaken directly	funding of activities	Support costs	Total	Activities undertaken directly	funding of activities	Support costs	Total
	2023 £m	2023 £m	2023 £m	2023 £m	2022 £m	2022 £m	2022 £m	2022 £m
Patient/Service								
User Services	120.8	-	-	120.8	117.9	-	-	117.9
Support	-	-	53.3	53.3	-	-	50.0	50.0
Services								
Education &	7.1	(2.4)	-	4.7	7.8	(2.4)	-	5.4
Research								
<b>Total</b>	<b>127.9</b>	<b>(2.4)</b>	<b>53.3</b>	<b>178.8</b>	<b>125.7</b>	<b>(2.4)</b>	<b>50.0</b>	<b>173.3</b>

### 8. Non-Controlling Interests

	Share of net income	Share of other assets	Total balance	Share of net income	Share of other assets	Total balance
	2023 £m	2023 £m	2023 £m	2022 £m	2022 £m	2022 £m
Three Shires Hospital LLP	1.6	0.7	2.3	1.4	0.2	1.6
The Pavilion Clinic Ltd	-	-	-	0.3	0.2	0.5
<b>Total</b>	<b>1.6</b>	<b>0.7</b>	<b>2.3</b>	<b>1.7</b>	<b>0.4</b>	<b>2.1</b>

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 9. Taxation

The Charity is exempt from taxation in respect of income and capital gains received within categories covered under Part 11 Chapter 3 Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The Charity's subsidiaries are subject to corporation tax and deferred tax in the same way as commercial organisations.

The tax charge on the profit on ordinary activities of the subsidiaries was:

	2023 £m	2022 £m
<b>Current tax:</b>		
UK corporation tax	-	0.1
<b>Tax on profit on ordinary activities of subsidiaries</b>	<b>-</b>	<b>0.1</b>

### Factors Affecting Tax Charge

The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023 £m	2022 £m
<b>Profit on ordinary activities of subsidiaries before tax</b>	<b>4.7</b>	4.1
Less profit not subject to corporation tax	(3.2)	(2.8)
<b>Profits subject to corporation tax</b>	<b>1.5</b>	<b>1.3</b>
 Profit on ordinary activities multiplied by standard rate of UK corporation tax of 19% (2022: 19%)	 0.3	 0.2
<b>Effects of:</b>		
Losses arising in the year not relievabale against current tax	(0.3)	(0.1)
<b>Total tax charge for the year</b>	<b>-</b>	<b>0.1</b>

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 10. Staff numbers

The average monthly numbers of employees (including Directors) were:

	Consolidated Group		Charitable Company	
	2023	2022	2023	2022
	FTE	FTE	FTE	FTE
Care for service users	3,272	3,265	3,272	3,265
Other healthcare related services	236	228	41	44
<b>Total</b>	<b>3,508</b>	<b>3,493</b>	<b>3,313</b>	<b>3,309</b>

### 11. Emoluments Analysis

The number of employees whose total employee benefits excluding pension contributions for the year from £60,000 upwards is as follows:

	2023	2022
	Number	Number
£60,000 to £70,000	57	65
£70,001 to £80,000	50	35
£80,001 to £90,000	24	27
£90,001 to £100,000	15	10
£100,001 to £110,000	14	11
£110,001 to £120,000	5	10
£120,001 to £130,000	9	7
£130,001 to £140,000	4	9
£140,001 to £150,000	6	3
£150,001 to £160,000	6	4
£160,001 to £170,000	4	5
£170,001 to £180,000	4	1
£180,001 to £190,000	4	5
£190,001 to £200,000	1	2
£200,001 to £210,000	1	1
£210,001 to £220,000	1	3
£230,001 to £240,000	-	1
£270,001 to £280,000	1	-
£290,001 to £300,000	-	1
<b>Total</b>	<b>206</b>	<b>200</b>

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 12. The Cost of Key Management Personnel

Amounts paid to key management personnel is shown in this table, explanatory notes are also included below.

2023		Salaries £'000	Pension <sup>1</sup> £'000	Other Benefits <sup>4</sup> £'000	Total £'000	Expenses <sup>2</sup> £'000
<b>Rt Hon Paul Burstow</b>	Chairman <sup>4</sup>					
<b>Stuart Richmond-Watson</b>	(Resigned 01.04.23)	51.5	-	24.9	<b>76.4</b>	2.6
		-	-	-	-	-
<b>Elena Lokteva</b>	(Resigned 01.02.23)	-	-	-	-	1.4
<b>David Sallah</b>	(Resigned 01.09.22)	-	-	-	-	-
<b>Andrew Lee</b>	(Appointed 01.05.20, Re-appointed 25.11.22)	-	-	-	-	-
<b>Stanton Newman</b>	(Appointed 01.05.20, Re-appointed 17.12.21, resigned 30.09.23)	-	-	-	-	-
<b>Ruth Bagley</b>	(Appointed 01.06.21, Re-appointed 25.11.22)	-	-	-	-	-
<b>Stephen Shrubbs</b>	(Appointed 01.10.22)	-	-	-	-	1.0
<b>Karen Turner</b>	(Appointed 01.09.22)	-	-	-	-	-
<b>Dawn Brodrick</b>	(Appointed 01.09.22)	-	-	-	-	0.4
<b>Rupert Perry</b>	(Appointed 26.11.22)	-	-	-	-	-
<b>Non-Executive Director Total</b>		<b>51.5</b>	<b>-</b>	<b>24.9</b>	<b>76.4</b>	<b>5.4</b>
<b>Vivienne McVey</b>	Chief Executive Officer, appointed 01.09.22	171.4	6.9	-	<b>178.3</b>	0.7
<b>Oliver Shanley</b>	Interim Chief Executive Officer, appointed 01.07.22, resigned 31.08.22	110.7	-	-	<b>110.7</b>	3.0
<b>Jess Lievesley</b>	Deputy / Interim Chief Executive Officer, resigned 30.06.22	58.7	1.9	2.1	<b>62.7</b>	-
<b>Dawn Chamberlain</b>	Chief Operating Officer, appointed 19.09.22	92.2	3.7	4.6	<b>100.5</b>	-
<b>Kevin Mulhearn</b>	Chief Finance Officer	173.4	6.5	8.5	<b>188.4</b>	0.5
<b>Andrew Brogan</b>	Chief Nurse	180.3	7.2	8.5	<b>196.0</b>	-
<b>Martin Kersey</b>	Executive HR Director	157.2	-	29.8	<b>187.0</b>	0.1
<b>Dr. Sanjith Kamath</b>	Executive Medical Director	214.2	1.3	60.7	<b>276.2</b>	0.5
Key management personnel who are not Trustees <sup>3</sup>		842.4	39.0	25.5	<b>906.9</b>	0.1
<b>Executive Director Total</b>		<b>2,000.5</b>	<b>66.5</b>	<b>139.7</b>	<b>2,206.7</b>	<b>4.9</b>
<b>Duncan Long</b>	Company Secretary	96.2	3.8	6.3	<b>106.3</b>	0.4
<b>Total</b>		<b>2,148.2</b>	<b>70.3</b>	<b>170.9</b>	<b>2,389.4</b>	<b>10.7</b>

#### Sub notes

- 1 Relates to contributions made to the defined contribution scheme.
- 2 Expenses relate primarily to travel and subsistence.
- 3 Key management personnel include John Clarke - Chief Information Officer (full year), Alexander Trigg - Director of Estates & Facilities (full year), Ash Roychowdhury - Deputy Medical Director (full year), Anna Williams - Director of Performance (full year) and Eddie Short - Director of Strategy & Business Development (full year).
- 4 Other benefits include admin support fees and leadership coaching fees for the Rt Hon Paul Burstow. These were invoiced by Indy Associates Limited and The Developing Leaders Partnership Limited respectively. Also included are pension compensation and car scheme payments.

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 12. The Cost of Key Management Personnel (continued)

Amounts paid to key management personnel is shown in this table, explanatory notes are also included below.

2022		Salaries / fees £'000	Pension <sup>1</sup> £'000	Other Benefits <sup>4</sup> £'000	Total £'000	Expenses <sup>2</sup> £'000
<b>Rt Hon Paul Burstow</b>	Chairman <sup>4</sup>	50	-	-	<b>50</b>	-
<b>Stuart Richmond- Watson</b>		-	-	-	-	-
<b>Anne Tansi Harper</b>	(Resigned 30.04.21)	-	-	-	-	-
<b>Elena Lokteva</b>		-	-	-	-	1
<b>Andrew Lee</b>		-	-	-	-	-
<b>Professor David Sallah</b>	(Resigned 31.08.22)	-	-	-	-	-
<b>Stanton Newman</b>		-	-	-	-	-
<b>Ruth Bagley</b>	(Appointed 01.06.21)	-	-	-	-	-
<b>Non-Executive Director Total</b>		<b>50</b>	-	-	<b>50</b>	<b>1</b>
<b>Katie Fisher</b>	CEO (Resigned 01.12.21)	261	-	29	<b>290</b>	-
<b>Jess Lievesley</b>	Deputy CEO (until 10.10.21), Interim CEO (until 30.6.22)	208	7	9	<b>224</b>	1
<b>Alexandra Owen</b>	CFO (Resigned 31.03.22)	190	8	8	<b>206</b>	-
<b>Kevin Mulhearn</b>	Interim CFO (Appointed 31.03.22)	-	-	-	-	-
<b>Martin Kersey</b>	HR Director	182	-	31	<b>213</b>	-
<b>Dr. Sanjith Kamath</b>	Medical Director	216	1	17	<b>234</b>	1
<b>Andrew Brogan</b>	Chief Nurse	175	7	9	<b>191</b>	-
Key management personnel who are not Trustees <sup>3</sup>		402	12	15	<b>429</b>	2
<b>Executive Director Total</b>		<b>1,634</b>	<b>35</b>	<b>118</b>	<b>1,787</b>	<b>4</b>
<b>Duncan Long</b>	Company Secretary	93	4	6	<b>103</b>	-
<b>Total</b>		<b>1,777</b>	<b>39</b>	<b>124</b>	<b>1,940</b>	<b>5</b>

#### Sub notes

- 1 Relates to contributions made to the defined contribution scheme.
- 2 Expenses relate to travel and subsistence.
- 3 Key management personnel include John Clarke - Chief Information Officer (full year), Alastair Clegg – Chief Operating Officer (01.04.21 - 31.10.21), Kevin Mulhearn – Interim Chief Finance Officer (01.03.22 – 30.03.22) and Alexander Trigg - Director of Estates & Facilities (27.01.22 - 31.03.22). Salaries / fees includes compensation for loss of office payments totalling £101,602 paid to Alastair Clegg.
- 4 Other benefits include pension compensation and car scheme payments.

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 13. Related Party Transactions

#### Consolidated Group

The Group has not entered into any transactions with Trustee Directors or the Company Secretary during the year, except for the transactions disclosed in note 12 (2022: nil). There are no related party transactions with Group companies other than those noted below:

#### Entity with Significant Control over Three Shires Hospital LLP

Trading and balances between Three Shires Hospital LLP and the Charity was as per below:

	2023 £m	2022 £m
Charges to Three Shires Hospital LLP by the Charity		
Management charges	1.5	1.4
Purchased goods and other recharges	0.4	0.4
Amounts owed by Three Shires Hospital LLP to the Charity at year end	0.6	0.2

In 2022 and 2023 there is no fixed date for repayment and no interest is charged on the amounts owed.

#### Entity with significant control over The Pavilion Clinic Ltd

Immediately following the 31 March 2022 year end, Three Shires Hospital LLP acquired the trade and assets of its 100% subsidiary company, The Pavilion Clinic Limited.

	2023 £m	2022 £m
Three Shires Hospital LLP investment in The Pavilion Clinic Ltd	0.9	1.1

#### Charitable Company

##### St Andrews Property Management Limited and St Andrew's Healthcare

St Andrews Property Management Limited manages construction projects and certain non-core facilities for the Group which are charged onto the Charity. Each year any surplus that the company makes is donated to the Charity.

Some of the Trustee Directors of St Andrew's Healthcare are also Board Directors of St Andrews Property Management Limited.

Trading with St Andrews Property Management Limited during the year was as follows:

	2023 £m	2022 £m
Gift aid donation paid by St Andrews Property Management Limited to the Charity	1.0	1.8
Amounts outstanding at the year-end between St Andrews Property Management Limited and the Charity	-	-

The restatement referred to above is explained in note 26.

# St Andrew’s Healthcare

## Notes to the Financial Statements (continued)

### 13. Related party transactions (continued)

#### Three Shires Hospital LLP and St Andrew’s Healthcare

Three Shires Hospital LLP leases the Three Shires Hospital buildings from St Andrew’s Healthcare.

Some of the Trustee Directors of St Andrew’s Healthcare are also Partnership Board Directors of Three Shires Hospital LLP.

Trading with Three Shires Hospital LLP during the year was as follows:

	2023	2022
	£m	£m
Rental income	1.4	1.4
Amounts outstanding at the year-end between Three Shires Hospital LLP and the Charity	-	-

### 14. Subsidiary Undertakings

All subsidiary undertakings are registered in England and Wales.

St Andrews Property Management Limited manages construction projects and certain non-core facilities for the Group, although no such activity has taken place this year or in the prior year. The Charity owns 100% of the ordinary shares of this Company. Each year any surplus the Company makes is distributed via gift aid to the Charity.

The Charity is the ultimate controlling party of Three Shires Hospital LLP. St Andrews Property Management Limited owns 50% of the issued share capital of the partnership, with the remaining share capital being held by Circle Health Group. The Group has a controlling interest in this company through the provisions of the LLP members’ agreement, giving the Group the power to appoint the Chairman and, under certain circumstances, exercise a casting vote. Three Shires Hospital LLP operates an acute medical surgical hospital situated in the grounds of St Andrew’s Healthcare in Northampton.

The Charity is the ultimate controlling party of St Andrew’s Foundation for Mental Health (Company number 10938734) and of St Andrew’s Pension Trustees Limited (Company number 5597060). Both are dormant companies and both are exempt from preparing or filing individual accounts under CA 2006, s. 394A. The registered office of both these companies is St Andrew’s Healthcare, Billing Road, Northampton, England, NN1 5DG.

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 14. Subsidiary Undertakings (continued)

The financial performance for the subsidiary undertakings, prior to the elimination of intercompany balances and transactions, included within the consolidated financial statements is as follows:

	<b>St Andrews Property Management Limited</b>		<b>Three Shires Hospital LLP</b>		<b>The Pavilion Clinic Ltd</b>	
Company number	2798380		OC398963		6061941	
Registered office	Billing Road Northampton Northamptonshire NN1 5DG		1st Floor 30 Cannon Street London EC4M 6XH		1st Floor 30 Cannon Street London EC4M 6XH	
	<b>2023</b>	2022	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£m</b>	£m	<b>£m</b>	£m	<b>£m</b>	£m
Income	1.4	0.8	23.7	19.9	-	2.5
Expenditure	-	-	(20.4)	(17.2)	-	(1.9)
Tax	-	-	-	-	-	(0.1)
<b>Net income</b>	<b>1.4</b>	<b>0.8</b>	<b>3.3</b>	<b>2.7</b>	<b>-</b>	<b>0.5</b>
Fixed assets	1.5	1.5	2.8	2.5	-	0.4
Current assets	0.1	-	6.4	4.8	-	1.0
Liabilities due within one year	-	(0.4)	(5.4)	(4.1)	-	(0.5)
Liabilities due after one year	-	-	-	-	-	(0.1)
<b>Net assets</b>	<b>1.6</b>	<b>1.1</b>	<b>3.8</b>	<b>3.2</b>	<b>-</b>	<b>0.8</b>



# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 15. Tangible and Intangible assets

Consolidated Group	Freehold land and buildings £m	Assets under construction £m	Fixtures, fittings, machinery & equipment £m	Motor vehicles £m	Total tangible assets £m	Software £m	Software Assets under construction £m	Goodwill £m	Total intangible assets £m
<b>Cost</b>									
At 1 April 2022 as previously reported	276.5	1.1	24.2	0.6	<b>302.4</b>	16.5	-	2.9	<b>19.4</b>
Prior year adjustments	0.8	(0.8)	-	-	-	0.1	-	(1.1)	<b>(1.0)</b>
At 1 April 2022 as restated	277.3	0.3	24.2	0.6	<b>302.4</b>	16.6	-	1.8	<b>18.4</b>
Additions	0.3	0.4	3.0	-	<b>3.7</b>	0.1	-	-	<b>0.1</b>
Disposals	-	-	(0.8)	(0.1)	<b>(0.9)</b>	(7.3)	-	-	<b>(7.3)</b>
Reclassifications	-	(0.3)	0.1	-	<b>(0.2)</b>	0.2	-	-	<b>0.2</b>
<b>At 31 March 2023</b>	<b>277.6</b>	<b>0.4</b>	<b>26.5</b>	<b>0.5</b>	<b>305.0</b>	<b>9.6</b>	-	<b>1.8</b>	<b>11.4</b>
<b>Accumulated depreciation</b>									
At 1 April 2022	87.7	-	17.4	0.6	<b>105.7</b>	15.3	-	1.4	<b>16.7</b>
Charge for the year	7.8	-	2.4	-	<b>10.2</b>	0.8	-	0.1	<b>0.9</b>
Disposals	-	-	(0.8)	(0.1)	<b>(0.9)</b>	(7.2)	-	-	<b>(7.2)</b>
<b>At 31 March 2023</b>	<b>95.5</b>	-	<b>19.0</b>	<b>0.5</b>	<b>115.0</b>	<b>8.9</b>	-	<b>1.5</b>	<b>10.4</b>
<b>Net book value</b>									
<b>At 31 March 2023</b>	<b>182.1</b>	<b>0.4</b>	<b>7.5</b>	-	<b>190.0</b>	<b>0.7</b>	-	<b>0.3</b>	<b>1.0</b>
<b>At 31 March 2022 - Restated</b>	<b>189.6</b>	<b>0.3</b>	<b>6.8</b>	-	<b>196.7</b>	<b>1.3</b>	-	<b>0.4</b>	<b>1.7</b>

The net book value of tangible fixed assets includes £0.1m (2022: £0.2m) in respect of assets held under hire purchase agreements.

Included in the net book value of freehold land and buildings is £21.1m (2022: £21.1m) and £20.4m (2022: £20.4m) relating to freehold land owned by the Group and Charity respectively.

The carrying amount of relevant assets is held as security against the loan.

Also included are restricted fixed assets, see note 21.

The restatements referred to above are explained in note 26.

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 15. Tangible and Intangible assets (continued)

Charitable Company	Freehold land and buildings	Assets under construction	Fixtures, fittings, machinery & equipment	Motor vehicles	Total tangible assets	Software	Software Assets under construction	Goodwill	Total intangible assets
	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Cost</b>									
At 1 April 2022 as previously reported	289.6	1.0	17.8	0.7	<b>309.1</b>	16.6	-	0.4	<b>17.0</b>
Prior year adjustments	0.7	(0.7)	-	-	-	-	-	-	-
At 1 April 2022 as restated	290.3	0.3	17.8	0.7	<b>309.1</b>	16.6	-	0.4	<b>17.0</b>
Additions	-	0.3	2.9	-	<b>3.2</b>	0.1	-	-	<b>0.1</b>
Disposals	-	-	(0.8)	(0.1)	<b>(0.9)</b>	(7.3)	-	-	<b>(7.3)</b>
Reclassification	-	(0.2)	-	-	<b>(0.2)</b>	0.2	-	-	<b>0.2</b>
<b>At 31 March 2023</b>	<b>290.3</b>	<b>0.4</b>	<b>19.9</b>	<b>0.6</b>	<b>311.2</b>	<b>9.6</b>	-	<b>0.4</b>	<b>10.0</b>
<b>Accumulated depreciation</b>									
At 1 April 2022	89.6	-	12.1	0.7	<b>102.4</b>	15.2	-	0.2	<b>15.4</b>
Charge for the year	8.1	-	2.1	-	<b>10.2</b>	0.9	-	-	<b>0.9</b>
Disposals	-	-	(0.8)	(0.1)	<b>(0.9)</b>	(7.2)	-	-	<b>(7.2)</b>
<b>At 31 March 2023</b>	<b>97.7</b>	-	<b>13.4</b>	<b>0.6</b>	<b>111.7</b>	<b>8.9</b>	-	<b>0.2</b>	<b>9.1</b>
<b>Net book value</b>									
<b>At 31 March 2023</b>	<b>192.6</b>	<b>0.4</b>	<b>6.5</b>	-	<b>199.5</b>	<b>0.7</b>	-	<b>0.2</b>	<b>0.9</b>
<b>At 31 March 2022 - Restated</b>	<b>200.7</b>	<b>0.3</b>	<b>5.7</b>	-	<b>206.7</b>	<b>1.4</b>	-	<b>0.2</b>	<b>1.6</b>

The carrying amount of relevant assets is held as security against the loan.

The restatement referred to above is explained in note 26.

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 16. Investments

Consolidated Group and Charitable Company	As at 1 April 2022		Purchases	Sales	Movement in cash balance	As at 31 March 2023	
	Cost	Market value				Cost	Market value
	£m	£m	£m	£m	£m	£m	£m
Stock market investments	9.4	11.6	2.2	(2.0)	(0.1)	9.6	11.4
Cliftonville House investment Property	8.4	5.0	-	-	-	8.4	5.0
Well Vale Estates investment property	-	0.7	-	-	-	-	0.7
<b>Total</b>	<b>17.8</b>	<b>17.3</b>	<b>2.2</b>	<b>(2.0)</b>	<b>(0.1)</b>	<b>18.0</b>	<b>17.1</b>
Deficit of market value over cost		(0.5)	-	-	-	-	(0.9)
Less: prior year (deficit) / surplus		(0.8)	-	-	-	-	0.5
Unrealised loss on revaluation of investments		(1.3)	-	-	-	-	(0.4)
Realised gain on disposal of investments		2.0	-	-	-	-	-
<b>Net gain / (loss)</b>		<b>0.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.4)</b>

All investment assets are held primarily to provide an investment return for the Group. The stock market investments are listed securities on recognised stock exchanges and comprise 33.1% UK equities with a market value of £3.8m (2022: 35.6%, £4.1m) and 66.9% other investments with a market value of £7.6m (2022: 64.4%, £7.5m). The Well Vale Estates comprise farming lands of approximately 40 acres. Cliftonville House comprises offices and premises which are rented to a third party.

Stock market investments are valued using the latest available mid-market prices at the valuation date. Investment properties are valued by specialist independent valuers. Well Vale Estates was valued by Berry's Chartered Surveyors and Valuers regulated by RICS and was valued using market value of the land. Cliftonville House was valued by Avison Young (UK) Limited regulated by RICS and was valued using combination of the future rental income until 2030 and the potential market value of the development of the site in 2030 on expiry of a restrictive covenant that only allows redevelopment of the site for specific uses. There are no contractual obligations for the purchase, construction or development of investment properties held by the Group or for repairs, maintenance or enhancements in relation to these investment properties.

The latest external valuations for Well Vale Estates and Cliftonville House of £0.7m and £5.0m respectively were carried out as at 31st March 2023.

### 17. Debtors

	Consolidated Group		Charitable Company	
	2023	2022	2023	2022
	£m	£m	£m	£m
		Restated		
Trade debtors	8.8	10.1	7.6	8.2
Prepayments and accrued income	3.9	3.7	3.6	3.6
Other debtors	1.1	1.5	0.1	-
<b>Total</b>	<b>13.8</b>	<b>15.3</b>	<b>11.3</b>	<b>11.8</b>

Included within trade debtors is a bad debt provision of £0.5m (2022: £0.5m).

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

The restatement referred to above is explained in note 26.

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 18. Cash at bank and in hand

	Consolidated Group		Charitable Company	
	2023	2022	2023	2022
	£m	£m	£m	£m
Corporate cash	12.7	8.7	8.3	6.0
Service Users cash	2.4	2.2	2.4	2.2
<b>Total</b>	<b>15.1</b>	<b>10.9</b>	<b>10.7</b>	<b>8.2</b>

Included within cash at bank are balances in current accounts and instant access interest bearing accounts.

### 19. Creditors

	Consolidated Group		Charitable Company	
	2023	2022	2023	2022
	£m	£m	£m	£m
Bank loans	(1.0)	(20.0)	(1.0)	(20.0)
Trade creditors	(6.8)	(5.0)	(4.5)	(3.0)
Other creditors	(2.5)	(3.5)	(3.2)	(3.0)
Obligations under finance lease and hire purchase contracts	(0.1)	(0.1)	-	-
Taxation and social security	(3.1)	(2.8)	(3.1)	(2.7)
Accruals	(11.5)	(11.7)	(8.7)	(9.8)
Deferred Income	(2.9)	(2.9)	(2.9)	(2.9)
<b>Creditors falling due within one year</b>	<b>(27.9)</b>	<b>(46.0)</b>	<b>(23.4)</b>	<b>(41.4)</b>
Bank loans	(19.0)	-	(19.0)	-
Obligations under finance lease and hire purchase contracts	-	(0.1)	-	-
<b>Creditors falling due after one year</b>	<b>(19.0)</b>	<b>(0.1)</b>	<b>(19.0)</b>	<b>-</b>

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 19. Creditors (continued)

Included within other creditors are balances in respect of service users' monies of £2.4m (2022: £2.2m).

The bank loan balance was £20.0m at 31 March 2023. The agreement includes £5m Term Loan with annual amortisation, so the £1.0m due to be paid in September 2023 has been included in Creditors falling due within one year. The balance of the loan has been included in Creditors falling due after one year.

The Charity has a £27m (2022: £27m) revolving credit facility with Barclays and Virgin Money. This not only provides for current working capital needs but also enables the Board to fulfil its strategic ambitions. At the year-end £20.0m (2022: £20.0m) was drawn down in relation to this facility. The facility as at 31 March 2023 was secured on a proportion of the Charity's land and building portfolio (William Wake House, FitzRoy House). The interest on this facility as at 31 March 2023 was charged at SONIA plus a margin of 1.75%.

Deferred income is deferred when cash has been received but the requirements of revenue recognition have not yet been met. Once met, income can be released to the statement of financial activities. A table of movements is shown below.

	Consolidated Group		Charitable company	
	2023	2022	2023	2022
	£m	£m	£m	£m
Opening balance	(2.9)	(2.5)	(2.9)	(2.5)
Amounts deferred	(10.0)	(24.7)	(10.0)	(24.7)
Amounts released	10.0	24.3	10.0	24.3
Closing balance	<b>(2.9)</b>	<b>(2.9)</b>	<b>(2.9)</b>	<b>(2.9)</b>

### 20. Commitments

At the year-end, the Company had future minimum lease payments under non-cancellable operating leases for assets as follows:

	Consolidated Group		Charitable Company	
	2023	2022	2023	2022
	£m	£m	£m	£m
Falling due:				
Within one year	0.1	0.2	0.1	0.1
Between one and five years	-	0.1	-	-
	<b>0.1</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>

Contractual commitments in relation to the acquisition of tangible and intangible fixed assets for the Group are £nil at year end (2022: £nil). Contractual commitments in relation to the acquisition of tangible and intangible fixed assets for the Charity are £nil at year end (2022: £nil).

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 21. Funds of the Charity

#### Analysis of group net assets between funds:

	General fund	Designated funds	Restricted funds (see below)	Total
	£m	£m	£m	£m
Intangible fixed assets	0.9	-	-	0.9
Tangible fixed assets	199.5	-	-	199.5
Investments	17.1	-	-	17.1
Cash at bank and in hand	9.1	0.5	1.1	10.7
Other net current liabilities	(10.1)	(0.5)	(1.1)	(11.7)
Creditors of more than one year	(19.0)	-	-	(19.0)
EFRBS liability	(0.5)	-	-	(0.5)
<b>Net assets</b>	<b>197.0</b>	<b>-</b>	<b>-</b>	<b>197.0</b>

#### Restricted funds:

	Huntington's	Fitzroy	Other	Total
	£m	£m	£m	£m
Balance at 01.04.2022	1.0	0.9	0.1	2.0
Statement of financial activities	-	-	-	-
Transfer to unrestricted funds	-	(0.9)	-	(0.9)
<b>Balance at 31.03.2023</b>	<b>1.0</b>	<b>-</b>	<b>0.1</b>	<b>1.1</b>

	Huntington's	Fitzroy	Other	Total
	£m	£m	£m	£m
Balance at 01.04.2021	0.2	1.0	0.1	1.3
Statement of financial activities	0.8	(0.1)	-	0.7
Transfer to unrestricted funds	-	-	-	-
<b>Balance at 31.03.2022</b>	<b>1.0</b>	<b>0.9</b>	<b>0.1</b>	<b>2.0</b>

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 22. Pensions

#### Defined Contribution Pensions

Scottish Widows operate St Andrew's Healthcare defined contribution pensions through their Money4Life workplace savings arrangement.

Contributions are based on qualifying earnings as defined by auto enrolment legislation, set at a minimum of 3% for the employer and 5% for the employee of relevant earnings. For ex-Group Personal Pension Scheme (GPP) members, the Charity has a minimum employer's contribution of 4% and minimum employee contribution of 5%. The Charity also provides life assurance of 3x salary for ex-GPP active employees.

The Charity also provides life assurance of 3x salary for ex-GPP active employees.

The Charity's contributions are charged to the Statement of Financial Activities each year during the year in which the employee is an active member of the scheme. The costs of administering the scheme and providing for death in service cover are met by the Group.

The pension charge for the year for these schemes was £4.2m (2022: £4.3m). As at 31 March 2023 there was an accrual of £1.1m (2022: £0.7m) for these schemes.

#### Defined Benefit Pension Scheme (St Andrew's Healthcare Pension Scheme)

In the year 2022/23, the Charity paid £0.5m per annum to meet the expenses of the scheme, in line with the Recovery Plan agreed alongside the full actuarial valuation as at 31 March 2019. In addition, the Recovery Plan also included an annual £0.5m contribution to the scheme to cover the shortfalls.

The latest full actuarial valuation was carried out as at 31 March 2022 by a qualified independent actuary. Following the updated review, it was agreed between the Trustees and the Charity that the contribution in 2022/23 would be £0.1m and £0.5m paid to cover scheme expenses. For future years, until the next full actuarial valuation, it was agreed the Charity would contribute £0.2m in total towards the scheme.

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 22. Pensions (continued)

Principal actuarial assumptions	At 31 March 2023	At 31 March 2022
Discount rate	4.75%	2.85%
Inflation (RPI)	3.30%	3.70%
Inflation (CPI)	2.65%	3.00%
1997 – 2005 Pension Increase Assumption (RPI Max 5%)	3.15%	3.40%
Post 2005 Pension Increase Assumption (RPI Max 2.5%)	2.15%	2.30%
Post 88 GMP Increase (CPI Max 3%)	2.15%	2.30%
Post-retirement mortality	For males: 97% x S3PMA tables. For females: 102% x S3PFA tables. CMI 2021 projections with a long-term improvement rate of 1.25% pa, a smoothing parameter of 7, a 0.25% initial addition parameter and 5% 2020 and 2021 'weight parameters'.	For males: S3PMA_L tables. For females: 93% x S3PFA_M tables. CMI 2021 projections with a long-term improvement rate of 1.25% pa, a smoothing parameter of 7.5 and nil 2020 and 2021 'weight parameters'.
Commutation	Members are assumed to take additional retirement cash equal to half of the difference between their retirement cash (3 x pension) and HMRC maximum cash entitlement.	Members are assumed to take additional retirement cash equal to half of the difference between their retirement cash (3 x pension) and HMRC maximum cash entitlement.
Life expectancy at age 65 of male aged 45	23.5	24.6
Life expectancy at age 65 of male aged 65	22.2	23.4
Life expectancy at age 65 of female aged 45	25.7	25.9
Life expectancy at age 65 of female aged 65	24.3	24.4
<b>The current asset split is as follows:</b>	<b>Bid values as at 31 March 2023</b>	<b>Bid values as at 31 March 2022</b>
	<b>£m</b>	<b>£m</b>
Fiduciary manager	135.7	194.1
Cash	0.8	0.8
<b>Total assets</b>	<b>136.5</b>	<b>194.9</b>
<b>Balance sheet</b>	<b>At 31 March 2023</b>	<b>At 31 March 2022</b>
	<b>£m</b>	<b>£m</b>
Fair value of assets	136.5	194.9
Present value of funded obligations	129.0	172.9
<b>Surplus in the scheme</b>	<b>7.5</b>	<b>22.0</b>
<b>Effect of asset ceiling</b>	<b>(7.5)</b>	<b>(22.0)</b>



# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 22. Pensions (continued)

Amount recognised in Profit and Loss	Period to 31 March 2023 £m	Period to 31 March 2022 £m
Interest on liabilities	4.8	3.9
Interest on assets	(5.4)	(4.2)
Past service costs	0.3	0.4
Interest on effect of asset ceiling	0.6	0.3
<b>Total charge to Profit and Loss</b>	<b>0.3</b>	<b>0.4</b>

Remeasurements over the period	Period to 31 March 2023 £m	Period to 31 March 2022 £m
Loss/(gain) on assets in excess of interest	56.4	6.0
Experience losses/(gains) on liabilities	2.5	-
Losses/(gains) from changes to demographic assumptions	(2.4)	(0.2)
Losses/(gains) from changes to financial assumptions	(41.6)	(12.4)
Losses/(gains) from change in effect of asset ceiling	(15.1)	6.7
<b>Total remeasurements</b>	<b>(0.2)</b>	<b>0.1</b>

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 22. Pensions (continued)

<b>Change in value of assets</b>	<b>Period to 31 March 2023 £m</b>	<b>Period to 31 March 2022 £m</b>
Fair value of assets at start	194.9	203.3
Interest on assets	5.4	4.2
Company contributions	0.1	0.5
Benefits paid	(7.5)	(7.1)
Return on assets less interest	(56.4)	(6.0)
<b>Fair value of assets at end</b>	<b>136.5</b>	<b>194.9</b>
<b>Actual return on assets</b>	<b>(50.9)</b>	<b>13.1</b>
<b>Change in value of the DB liabilities</b>	<b>Period to 31 March 2023 £m</b>	<b>Period to 31 March 2022 £m</b>
Value of liabilities at start	172.9	188.4
Past service costs	0.3	0.4
Interest on liabilities	4.8	3.9
Benefits paid	(7.5)	(7.1)
Experience (gain)/loss on liabilities	2.5	-
Changes to demographic assumptions	(2.4)	(0.2)
Changes to financial assumptions	(41.6)	(12.5)
<b>Value of liabilities at end</b>	<b>129.0</b>	<b>172.9</b>
<b>Reconciliation of effect of asset ceiling</b>	<b>Period to 31 March 2023 £m</b>	<b>Period to 31 March 2022 £m</b>
Effect of asset ceiling at start	22.0	15.0
Interest on effect of asset ceiling	0.6	0.3
Actuarial losses/(gains)	(15.1)	6.7
<b>Effect of asset ceiling at end</b>	<b>7.5</b>	<b>22.0</b>
<b>Projected Profit &amp; Loss account for next period</b>	<b>Period to 31 March 2023 £m</b>	<b>Period to 31 March 2022 £m</b>
Interest on liabilities	6.0	4.8
Interest on assets	(6.3)	(5.5)
Past service costs	0.7	0.4
Interest on effect of asset ceiling	0.3	0.6
<b>Total charge to Profit and Loss</b>	<b>0.7</b>	<b>0.3</b>

There is a pension paid to one member of the Scheme who receives additional pension benefits provided for outside of the Scheme funded directly by the Charity through an 'Employer Financed Retirement Benefits Scheme' (or EFRBS). The value of the liability at 31 March 2023 was £460,000 (2022: £616,000).

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 23. Financial Instruments

	Consolidated Group		Charitable Company	
	2023	2022	2023	2022
	£m	£m	£m	£m
<b>Financial assets at fair value</b>				
Stock market investments	11.4	11.6	11.4	11.6
	<b>11.4</b>	<b>11.6</b>	<b>11.4</b>	<b>11.6</b>
<b>Financial assets at amortised cost</b>		Restated		
Trade debtors	8.8	10.1	7.6	8.2
Accrued income	1.7	1.8	1.7	1.8
Other debtors	1.1	1.5	0.1	-
Cash at bank and in hand	15.1	10.9	10.7	8.2
	<b>26.7</b>	<b>24.3</b>	<b>20.1</b>	<b>18.2</b>
<b>Financial liabilities measured at fair value</b>				
Derivative financial instruments	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities measured at amortised cost</b>				
Bank loans	(20.0)	(20.0)	(20.0)	(20.0)
Trade creditors	(6.8)	(5.0)	(4.5)	(3.0)
Other creditors	(2.5)	(3.5)	(3.2)	(3.0)
Obligations under finance lease and hire purchase contracts	(0.1)	(0.1)	-	-
Accruals	(11.5)	(11.7)	(8.7)	(9.8)
	<b>(40.9)</b>	<b>(40.3)</b>	<b>(36.4)</b>	<b>(35.8)</b>

The restatement referred to above is explained in note 26.

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 24. Notes to the Cash Flow Statement

	2023 £m	2022 £m Restated
<b>Net expenditure for the reporting year (as per the statement of financial activities)</b>	<b>(3.1)</b>	<b>(10.3)</b>
Adjustments for:		
Depreciation of fixed assets	11.1	13.3
Unrealised loss on revaluation of investments	0.4	1.3
Realised gain on disposal of investments	-	(2.0)
Dividends, interest and rents from investments	(0.9)	(0.8)
Loss on sale of fixed assets	-	0.8
Decrease in stock	0.1	-
Decrease in debtors	1.5	0.1
Increase / (decrease) in creditors	0.8	(5.3)
Other movements	(0.7)	4.5
<b>Net cash provided by operating activities</b>	<b>9.2</b>	<b>1.6</b>

The restatement referred to above is explained in note 26.

### Analysis of changes in net debt

	At 1 April 2022 £m	Cash flows £m	At 31 March 2023 £m
Cash at bank and in hand	10.9	4.2	15.1
Bank loans	(20.0)	-	(20.0)
Obligations under finance lease and hire purchase contracts	(0.2)	0.1	(0.1)
<b>Total</b>	<b>(9.3)</b>	<b>4.3</b>	<b>(5.0)</b>

# St Andrew's Healthcare

## Notes to the Financial Statements (continued)

### 25. Post Balance Sheet Events

1. On 20<sup>th</sup> July 2023, CQC published the report to rate Essex as Requires Improvement showing significant improvements in a variety of areas, with green 'Good' ratings in the Safe, Effective, Caring and Well-Led categories.
2. On 20th September 2023 St Andrews Healthcare agreed a Property Security Charge with St Andrew's Pension Trustees Limited covering scheme deficits should the Charity enter into insolvency. The property charge ends September 2033, is for the lower of scheme deficit or £20m and relates to Lowther and Malcom Arnold House.

### 26. Restatements

The following adjustments have been made to better reflect the substance of certain balances:

1. £1.1m debtor balance at 31 March 2022 was wrongly classified as intangible assets. See notes 15, 17 and 23.
2. £0.8m of freehold land & buildings at 31 March 2022 was wrongly classified as assets under construction. See note 15.
3. £1.8m gift aid donation paid by St Andrews Property Management Limited to the Charity in the year to 31 March 2022 was wrongly stated as £0.9m. See note 13.
4. The cash flow statement for the prior year has been re-written to more accurately reflect the yearly movements. The year-end cash balance remained unchanged. See notes 7 and 24.

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**Record Tracking**

Status: Original

Holder: Grant Thornton UK LLP

Location: DocuSign

20/11/2023 | 09:54

james.a.mclarnon@uk.gt.com

**Signer Events****Signature****Timestamp**

Kevin Mulhearn

ksmulhearn@stah.org

CFO

Security Level: Email, Account Authentication  
(None)

Sent: 20/11/2023 | 10:06

Viewed: 20/11/2023 | 19:16

Signed: 20/11/2023 | 19:17

Signature Adoption: Pre-selected Style  
Using IP Address: 85.115.52.204**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign

Paul Burstow

pkburstow@stah.org

Security Level: Email, Account Authentication  
(None)

Sent: 20/11/2023 | 10:06

Viewed: 20/11/2023 | 11:09

Signed: 20/11/2023 | 11:13

Signature Adoption: Pre-selected Style  
Using IP Address: 31.94.7.148**Electronic Record and Signature Disclosure:**

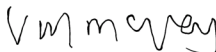
Not Offered via DocuSign

Vivienne McVey

vmmcvey@stah.org

Chief Executive Officer

St Andrew's Healthcare

Security Level: Email, Account Authentication  
(None)

Sent: 20/11/2023 | 10:06

Viewed: 20/11/2023 | 14:14

Signed: 20/11/2023 | 17:27

Signature Adoption: Drawn on Device  
Using IP Address: 85.115.52.204**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign

**In Person Signer Events****Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp**

Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	20/11/2023   10:06
Certified Delivered	Security Checked	20/11/2023   14:14
Signing Complete	Security Checked	20/11/2023   17:27
Completed	Security Checked	20/11/2023   19:17
Payment Events	Status	Timestamps