

**St Andrew's Healthcare
Annual Report and Financial Statements
for the Year Ended 31 March 2025**

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

Bevan Brittan LLP
Kings Orchard
1 Queen Street
St Philip's
Bristol
BS2 0HQ

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 2025

Chair's Report

A warm welcome to all reading our Annual Report for 2024/25 - the second year of the Charity's five-year strategy. The Charity's purpose of hope and its mission to help people with complex mental health needs to transform their lives and meet their goals remains as pertinent as ever.

Whilst 2024/25 has brought its share of challenges, I'm incredibly proud of the dedication of colleagues across the Charity, who continue to work with great compassion and commitment.

Across our services, we've witnessed powerful examples of patient recovery. Our clinical teams have worked to reduce restrictive practices, enhance therapeutic environments, and embed co-production throughout our services. We are committed to upholding the triangle of care, with patients, carers and colleagues working as equal partners.

We've continued to strengthen partnerships with the commissioners, the wider NHS and academic institutions. Our commitment to research, innovation, and continuous improvement remains unwavering.

Looking ahead, we do so with hope and energy in the face of some challenges.

In June 2025, shortly after the period in review, we launched For Hope in Every Life - the UK's first fundraising appeal dedicated to transforming the lives of people with complex mental health needs at scale. This marks the Charity's first fundraising initiative in over a century. Funds raised will support enhanced therapeutic activities, specialist research, and vital awareness and education efforts.

As we turn the page to the next chapter of our charity's story, we recognise there are significant challenges that lie ahead. In early 2025/26, colleagues identified several cases where the Charity failed to deliver the high levels of care that patients rightly deserve. In response the Executive Team investigated and took swift action, while encouraging all members of staff to speak out when care can be improved, and always upholding the Charity's CARE Values: Compassion, Accountability, Respect, and Excellence.

To make lasting changes, the Charity launched two urgent action plans to ensure consistently high-quality care across all wards and hospitals, while making care delivery efficient, effective, and keeping the Charity financially sustainable.

We will continue to listen, learn, and lead - guided by the voices of those we work alongside in the triangle of care.

Thank you to our staff, volunteers, trustees, carers, and partners for your dedication and belief in the Charity's mission. And most importantly, thank you to our patients and service users for your courage, your engagement and your insight.

We extend our thanks to Paul Burstow, who stepped down as Chair in November 2025 after five years of service. During his tenure, Paul significantly strengthened St Andrew's Board and governance, and we appreciate his contribution to St Andrew's. We look forward to welcoming our new Chair in due course.

Together, we are inspiring hope and moving ever closer to fulfilling our purpose of hope - helping people with complex mental health need transform their lives.



Ruth Bagley
Deputy Chair, Board of Trustees

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2025 cont'd

Objectives and Activities

St Andrew's is the UK's largest charity specialising in complex mental health. We provide tailored treatment to suit each person's unique needs, enhancing their development and fostering meaningful recovery.

In addition to complex mental health, we deliver specialist inpatient services for people who also have learning disabilities, autism and neurological conditions. Additionally, we have begun to strengthen our community offerings, as per the NHS national direction, which is shifting care from hospital to the community.

Public Benefit

While society has come a long way in recognising mental health, the most vulnerable - those with the most complex needs - are still too often overlooked. This is where St Andrew's steps in. With one in 105 people in the UK diagnosed with a severe mental health condition, the scale of the challenge, and the public benefit in addressing it, is immense.

Established nearly 200 years ago, St Andrew's supports people often through their darkest moments, inspiring hope and helping to transform their lives. This commitment is at the heart of St Andrew's Hope Strategy. Our Hope Strategy is rooted in our Charitable Objects: to "promote the healing of sickness, the relief of suffering and the relief of need of those experiencing mental disorder." These Objects, set out in our Articles of Association, define our charitable purpose and underpin our commitment to public benefit. As a charity, we provide specialist care, bespoke therapies, education and research to help people with mental health disorders to live a more rewarding life.

The Trustees have given due regard to the Charity Commission's guidance on public benefit when exercising their relevant powers and duties.

Achievements and Performance

During the period 1 April 2024 to 31 March 2025, we discharged a total of 396 patients, with 61% progressing to a lower level of security. Of those patients who transitioned to an identical or higher level of security, 97% moved closer to their own home. In addition, a further 121 patients were supported through our PICUs.

Earlier this year we launched the world's first Community Forensic Mental Health Service designed exclusively for deaf individuals, which is helping us to support more patients move into a less restrictive environment within the community.

We were also pleased to have been shortlisted in the Hospital Group of the Year category in the LaingBuisson Awards and for the Excellence in Clinical Innovation prize at the Health Service Journal (HSJ) Independent Healthcare Providers Awards.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2025 cont'd

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'.

At the centre of our provision sits co-production, which ensures everyone is respected and valued so their input actively contributes to decision making within their treatment. This empowers and helps them to regain their independence and confidence, inspiring hope for their future.

It is essential that patients and their loved ones are at the centre of our service and provide us with their valuable insight and experiences to ensure we deliver the best care possible.

Vocational Services and Recovery

We offer a vocational skills route into volunteering, employment or independent living as part of a patient's recovery. In addition, Our REDS Recovery College (Recovery and Every Day Skills) supported over 4,000 learners 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 and supports a co-productive culture.

Volunteers

It has been a hugely successful year for the Voluntary Services team which was awarded the King's Award for Voluntary Service for 2024. The accolade, equivalent to an MBE, recognises outstanding work by volunteer groups that support their local communities.

The St Andrew's volunteers team, made up of more than 420 volunteers were awarded the prize in recognition of the extraordinary work they do and the profound impact they have on the lives of hundreds of patients. Our volunteers support the Charity across a wide range of roles, including befriending, chaplaincy, retail, hospitality, events, horticulture, patient activities, visiting, therapy support, and psychology assistance. Their commitment, compassion, and generosity of time continue to enrich the experiences of our patients and strengthen our community.

Research and Innovation

Our Research Centre conducts pioneering research in partnership with leading universities and clinicians, helping to develop new treatments, care models and technologies that will support patients in the future.

Education

St Andrew's College was rated Good by Ofsted, with Outstanding features in Personal Development and Behaviour and Attitudes. We've built a personalised curriculum called Activ8, supported by our in-house course Learning Moments. This focuses on small, achievable goals that help students rebuild learning habits, regain confidence, and feel a sense of progress from Day-One of enrolment.

The curriculum includes a range of enrichment activities such as horse riding, swimming and rock climbing. We are also a registered provider for The Duke of Edinburgh's Award, and in May 2024 members of our DofE team were invited to Buckingham Palace as part of the Duke's national celebration.

Our College has been recognised twice by the Pearson National Teaching Awards. The LightBulb programme, which brings mental health education into schools, was recognised in 2023, the team received a Silver Award for their work. In 2025, the College received a second Silver Award for its approach to SEND and inclusivity.

Adult service users also have access to teaching in literacy and numeracy. These core skills help people understand their care plans, support their recovery, and promote independence. They also make it easier to access services, reconnect with the community, and move into work.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2025 cont'd

External Stakeholder Reviews of Our Services

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 East and West Midlands Provider Collaboratives, the Safeguarding Boards for adults and children in the areas where we operate, the Charity Commission, Health and Safety Executive and Ofsted.

Staff Education and Career Development

Our staff were provided with 102,411 hours of training assigned across the Charity's Learning Management System (LMS) and 10,664 hours of new starter on-ward training.

From January to December 2024, we had 54 newly registered professionals enrol onto the Preceptorship Programme, of these 51 remain employed with STAH – over 94%. STAH has the national interim quality mark for the preceptorship programme and is working towards applying for the Multi Professional Quality Mark for preceptorship offer.

The practice development team are currently working with subject matter experts to develop new training packages including care planning training, post falls assessment and therapeutic engagement, to ensure that our staff have the right competencies and skills to care for our patients. The team are also providing Immediate Life Support drills across all sites, to provide staff with real time scenario practice.

We remain deeply committed to fostering career opportunities for all employees. Central to this commitment is the provision of equitable learning opportunities, which are essential in supporting staff career development. To facilitate this, we offer complimentary Functional Skills courses aimed at enhancing literacy and numeracy competencies applicable to the workplace, while also providing access to further educational pathways. In addition, staff have access to an internal graduate skills programme, which supports access into higher education.

We also actively support staff participation in apprenticeships across all levels, spanning both clinical and non-clinical domains. In the last financial year, we have invested more than £250,000 in tuition fees for apprenticeships, funded through the Growth & Skills Levy. We continue to develop our nursing workforce through the ASPIRE (nursing degree programme).

This year we have focused on developing our Leadership Commitment. This commitment sets out clearly what we expect from our people leaders. Alongside this we have designed and delivered a ward management programme covering leadership, quality and operational management.

Diversity and Inclusion

At St Andrew's, 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 colleague engagement, they feel valued, and their wellbeing improves.

As a charity, we have a clear commitment to being an inclusive employer and take great pride in our diversity and inclusion initiatives, and we are extremely proud of our results. We have a diverse workforce, where 61% of our staff are female and over a quarter of our staff are from an ethnic minority background.

Inclusion Projects

We have four established colleague networks: PRIDE, DAWN (Disability, Ability, Wellbeing and Neurodiversity) UNITY (supporting the experiences of people from diverse backgrounds) and our WiSH Network (Women in St Andrew's Healthcare). All networks raise awareness, promote inclusive practice and engage colleagues in a number of events throughout the year.

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.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2025 cont'd

Streamlined Energy and Carbon Reporting ('SECR')

Summary

St Andrew's Healthcare greenhouse gas emissions, reportable under SECR in 2024/25 were 6,256 tonnes CO₂e.

These include the emissions associated with electricity, natural gas consumption, refrigerants, gas oil, and business travel in company and private vehicles by employees and those generated by taxi usage, which is voluntary reporting under the SECR framework. St Andrews Healthcare greenhouse gas emissions were 5% lower than in 2023-24. Energy consumption in kWh decreased by 3% compared to 2023/24. The intensity of 0.050 tonnes CO₂e per Building Gross Internal Area (m²) was 5% lower than last year.

St Andrew's key sustainability performance indicators for the period April 2024 to March 2025 are shown below:

Greenhouse Gas Emissions and Energy Consumption

| Energy Consumption | 2024/25 Emissions (tCO ₂ e) | 2023/24 Consumption (kWh) | 2023/24 Emissions (tCO ₂ e) | 2023/24 Consumption (kWh) | 2023/24 – 2024/25 Change (tCO ₂ e) | 2022/23 – 2023/24 Change (kWh) |
|--|--|---------------------------|--|---------------------------|---|--------------------------------|
| Natural gas | 3,328 | 18,195,305 | 3,380 | 18,479,787 | -2% | -2% |
| Electricity | 2,403 | 10,666,873 | 2,506 | 11,138,189 | -12% | -4% |
| Transport | 200 | 846,697 | 204 | 852,524 | -2% | -1% |
| Facility Operations | 295 | - | 406 | - | -27% | - |
| Oil | 30 | 115,208 | 74 | 282,967 | -60% | -59% |
| Total | 6,256 | 29,824,084 | 6,571 | 30,753,467 | -5% | -3% |
| Building Gross Internal Area (m ²) | 126,300* | 126,300* | 126,300* | 126,300* | 0% | 0% |
| Intensity (per m²) | 0.050 | 236 | 0.052 | 243 | -4% | -3% |

*Floor area has been reinstated, and the previous year has been updated to reflect these changes. Previous GIAm² was 116,571.

Boundary, Methodology and Exclusions

An 'operational control' approach has been used to define the Greenhouse Gas emissions boundary¹. 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, taxis, 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 GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2024 have been used calculate the SECR disclosures.

Following more accurate measurements being taken for total floor area, previous year's figures have been amended. The reporting period is April 2024 to March 2025, as per the financial accounts.

¹ 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 2025 cont'd

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 2024/25, St. Andrew's Healthcare took the initiative to implement various energy efficiency measures, which are itemised below.

- Building Management System hardware upgrades and strategy enhancements, together with settings adjustments have been implemented alongside temperature and occupancy timing reviews.
- Scoping the final requirements for decarbonisation surveys across the Charity which will form the development of our Decarbonisation Plan to reach our Net Zero Carbon targets.
- Sub-metering project is underway to install new sub-meters in a pre-selected, high priority list of buildings to improve the data quality of utility consumption at building level. This will improve our ability to record, monitor and improve areas of high consumption and identify opportunities to reduce consumption.
- We have submitted a selection of energy efficiency measures to ESOS which will be actioned, measured and reported on for the annual ESOS update in December 2025. These measures range from BMS optimisation to LED upgrades.
- The next phase of the rollout of LED lighting projects is in progress. Surveys have been conducted across several building at Northampton. The lighting upgrades will also include automation and controls.
- Boiler replacement projects in Isham and Spencer have been completed with more energy-efficient technology.
- Regular meetings of the Green Champions group continue to support charity-wide engagement and awareness.
- The Charity introduced Hydrochloric Acid (Magic Water) as its main cleaning solution across Northampton, Essex and Birmingham which supports our commitment to sustainability by reducing staff time with training and added resources that come with the use of harmful chemicals by 40%. It's safer to use and the reusable bottles and containers avoid land fill with added CO2 benefits through our waste streams.
- Food waste collections have started to roll out across the Charity in line with new legislation and to improve our sustainability processes. This is a large project that is being implemented in phases. The first phase is complete with Fitzroy, Tompkins and Workbridge cafes and Essex now having segregated food waste bins and collections. The next phase will be rolled out across the remaining wards and then finally, across admin buildings.
- In 2024/25, we conducted a staff commuting survey which will now be an annual survey. This survey helps us to collect data that informs us of our carbon emissions of commuting (scope 3) as well as insights into behaviours and attitudes towards sustainable travel. This helps us to understand what choices are currently available for staff and which measures or solutions may help to promote and encourage more sustainable travel modes.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2025 cont'd

Governance

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 21 Governors, which includes five Constituency Governors. There are also 11 Honorary Governors, who have been active in the past but now play less of a role within the Charity.

| Active Governors | | |
|----------------------|--------------------------------|------------------------|
| Anne Burnett | Crispin Holborow | Rupert Perry |
| James Charrington | Sandy Howse | Bukunola Popoola |
| Tim Davy | Frances Jackson | Lady Proby |
| Lord Charles FitzRoy | Amanda Lowther | Stuart Richmond-Watson |
| Jane Forman Hardy | Oliver Mackaness | Adrian Spooner |
| Dr Martin Gaskell | The Marchioness of Northampton | Ria Stanyer |
| Dr Michael Harris | Rob Nelson | Victoria Webb |

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 two 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 Finance Committee.

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.

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 five Non-Executive Directors and three 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.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2025 cont'd

The Board of Trustees (*continued*)

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 two three-year terms.

The Board considers the Non-Executive Trustees to be independent. All Non-Executive Trustees, except for Anne-Maria Newham MBE, (and previously 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 was remunerated for being the Chair, in light of the time commitment required and Anne-Marie Newham MBE is remunerated for acting as Clinical Non-Executive Trustee.

Non-Executive Directors/Trustees:

| Name | Office (if any) | Dates acted if not for a whole year or to date of signing |
|-----------------------|---|---|
| Rt Hon. Paul Burstow | Charity Chair Chair of Governors | Resigned 18 November 2025 |
| Ruth Bagley | Charity Deputy Chair and Senior Independent Director Designated Non-Exec for Safeguarding Chair - Nomination and Remuneration Committee Chair - St Andrew's College Governing Body | |
| Dawn Brodrick | Chair – People Committee | Resigned 14 October 2024 |
| Andrew Lee | Chair – Finance Committee | |
| Rupert Perry | | Resigned 25 November 2025 |
| Sheryl Lawrence | Chair – Audit & Risk Committee Designated Lead for Freedom To Speak Up Designated Lead for Counter Fraud | |
| Stephen Shrubbs | Clinical Non-Executive Chair – Quality & Safety Committee | Resigned 1 August 2025 |
| Karen Turner | Chair – Research Committee | Resigned 21 February 2025 |
| Richard Shoreland | | Appointed 28 March 2025 |
| Anne-Maria Newham MBE | Clinical Non-Executive Chair – Quality & Safety Committee | Appointed 10 July 2025 – Appointed Clinical NED 2 August 2025 |

Executive Directors/Trustees:

| Name | Office (if any) | Dates acted if not for a whole year |
|-------------------|---------------------------------|--|
| Dr Vivienne McVey | Chief Executive Officer | |
| Kevin Mulhearn | Chief Finance Officer | |
| Dr Sanjith Kamath | Executive Medical Director | |
| Dawn Chamberlain | Chief Operating Officer | Resigned 7 March 2025 |
| Caroline Smith | Chief Clinical Services Officer | Appointed 27 May 2025 Resigned 21 July 2025 |

During the year, Dawn Chamberlain resigned as Chief Operating Officer on 7 March 2025. Caroline Smith joined as Chief Clinical Services Officer on 27 May 2025, resigning due to ill health on 21 July 2025.

Officers:

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

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2025 cont'd

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 at least 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.

The Board has continued to oversee reviews and improvements of its governance arrangements, with further revisions to the Board's Matters Reserved, Terms of Reference and specific Board Code of Conduct, with updates to the Charity's Authority Matrix also completed. Terms of Reference for Board committees continue to be reviewed and updated and take on-board recommended actions from annual committee effectiveness reviews. The Board continues to monitor and review its skills and experiences and undergoes regular development sessions and targeted training, as identified through its annual skills review and through guidance from the Nomination and Remuneration Committee.

The Board is supported by a number of committees:

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 Trustee, two 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, quality and effectiveness of the patient experience and 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 two Non-Executive Trustees and three Executives, and is attended by senior management, and a Governor member of the Lead Governor Group.

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 are effective succession plans in place for the Board and Executive Team and oversees Board development and training requirements.

The Committee meets at least four times per year and is chaired by a Non-Executive Trustee, and consists of a further two 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.

St Andrew's Healthcare Combined Trustees' and Directors' Report for the Year Ended 31 March 2025 cont'd

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 to do so.

The Committee meets at least four times per year 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, CFO and other Executives as required, senior management, Internal Audit, Governor members and representatives of the Charity's External Auditors.

The Charity 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 2025 cont'd

Remuneration Statement

Our reward approach is designed to deliver market competitive remuneration for all colleagues, while recognising our status as a charity.

We recognise the extraordinary efforts of our colleagues as we continuously improve quality. Alongside our remuneration, we provide a range of benefits, development opportunities and wellbeing support. All of which help make St Andrew's a great place to work, grow, and progress.

As part of our reward strategy, we review salaries and our wider benefits package regularly for all colleagues, taking into account data and insights from the wider market. For our Executive Team, we have a remuneration policy that describes how remuneration is positioned relative to the market, ensuring we can attract and retain the talent we need.

We continue to invest in colleague remuneration, in the financial year 2024/25, this included increasing our minimum pay levels above the applicable real living wage for all employees, positively affecting over 400 of our colleagues. In June 2024, we awarded all colleagues an interim cost of living increase of 2%, backdated to 1 April 2024, which was then increased to an overall rise of 5.5% in November, again backdated to April.

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 December 2024 (reflecting the financial year 2024/25), showed the median pay gap of 3%, this is significantly better than the national pay gap of 13%.

Showing our commitment to transparency and being an inclusive organisation is important to us. The Charity's ethnicity pay gap ratio was calculated at the same time as the Gender Pay Gap in 2024, showing our median ethnicity pay gap is -3.7%.

Political Donations and Political Expenditure

No political donations or political expenditure have been incurred during the year (2024: None).

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.

St Andrew's Healthcare

Combined Trustees' and Directors' Report for the Year Ended 31 March 2025 cont'd

Dividends

No dividends were paid or recommended in the year (2024: £nil).

Post Balance Sheet Events

In July 2025 the CQC closed the Northampton site to admissions following self-reported incidents of inadequate care to our patients. On the 22 October 2025 the CQC published an inspection report of the Northampton site which rated the services as 'inadequate'. The site remains closed to admissions whilst remedial and improvement plans are implemented to ensure such incidents do not occur again. Consequently, the Charity's finances have been negatively impacted with an extended period of reduced income. The admission restrictions and changes to market demand have meant the Charity has taken the decision to close some unsustainable services. To align the cost base with the projected income reduction, the Charity have commenced both voluntary & compulsory redundancy schemes in the period July to November 2025, along with further cost saving initiatives.

Three non-executive Trustees resigned after the 31 March 2025, including the Chair Paul Burstow. The Charity have commenced the recruitment process for a new Chair.

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 2025 was £2.6m (2024: £2.5m) 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; and
- 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 2025 cont'd

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 laws and regulations.

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; and
- 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.

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):

Ruth E Bagley

Dr Vivienne McVey

Full name(s):

Ruth Bagley

Dr Vivienne McVey

Position:

Deputy Chair

Chief Executive Officer

Date:

5 December 2025

5 December 2025

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2025

Business Review

A financial review of the business has been carried out and is shown on pages 25-27.

Our 2028 Strategy

The second year of our five-year strategy brought with it both challenges and remarkable opportunities for growth, collaboration, and innovation across our services.

Our Hope Strategy and strategic plan to 2028, which sets out our approach to achieving our mission, are now firmly embedded across the Charity. However, our priorities have been responding to and resolving the quality challenges experienced during 2025, consequently slowing implementation and progress of our strategy.

To achieve our mission we must be a Champion, a Leading Provider, Expert and Enabled, as detailed below.

Our Champion Ambitions - Voice and Society

This is about listening to the voices of patients, carers and professionals, and working in partnership with them. We have:

- recruited five new Champion Leads, who are spending one day a week helping to ensure the voices of people with complex mental health needs and their carers are heard; and
- promoted our co-production framework encouraging patients, carers and professionals to see one another as equal partners in care.

Our Leading Provider Ambitions - Quality, Service Improvement and Service Development

This part of our strategy is about delivering high-quality care everyday, backed by operational excellence, while developing innovative new services to meet complex mental health needs.

We recognise there have been significant challenges where we failed to deliver the high levels of care that our patients rightly deserve. To make lasting changes we have launched two urgent action plans to ensure consistently high-quality care across all wards and hospitals. In addition, this year we have:

- helped many patients take their next step in their recovery, often to a lower level of security or closer to home;
- developed our new Adult Care Services unit to support more people with complex mental health needs in the community;
- conducted a thorough review of ward staffing levels and recruited more permanent healthcare assistants; and
- invested in specialist training to support front-line colleagues to develop their skills and confidence.

Our Expert Ambitions - People, Education & Research, and Data

Within this section we aim to become an expert in providing great services and share our expertise with others. We are developing our people through learning and training, education and research, and making great use of our data. We have:

- completed a full Your Voice engagement survey to understand how everyone feels about working at St Andrew's;
- improved our data and alerting systems, and introduced clinical decision-making support tools;
- rolled-out a new 'Patient Journey' approach to give a better view of patient progress, by aligning admission dates to monthly milestones; and
- launched a new Research Strategy with a clear focus on researching better ways to evaluate services and staying innovative with complex mental health care.

St Andrew’s Healthcare
Strategic Report for the Year Ended 31 March 2025

Our 2028 Strategy cont’d

Our Enabled Ambitions - IT, Commercial, Estate and Finance

This part includes thinking commercially to ensure our charity is sustainable for the future. We are working together to carefully manage our finances, fully utilise our estate and IT Systems. This is demonstrated by preparing to launch our new people and finance system (Enterprise Resource Planning, ERP), which will allow us to be more efficient and effective.

Principal Risks and Uncertainties and Risk Management Statements

In order to support the delivery of high-quality care to our patients and service users, 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 strategy and vision.

This report on Principal risks, outlines the continued journey of risk management within St. Andrew’s Healthcare, highlighting the advancements and improvements made in our Charity-wide risk management processes, the continued embedding and evolving of our Strategic Risk management via the Board Assurance Framework, the proactive development of our material risk management procedures and the continued effective management of our functional risk registers.

- Strategic Risks include those that are inherent to the delivery of the Charity’s strategic ambitions, vision and mission. The Strategic Risks are relational to our Material and Functional Risks.
- Material Risks reflect those which by their potential impact or likelihood, could significantly impact the achievement of the Charity’s operational objectives
- Functional Risks impact operational objectives and day to day activities across all functions.

Our Board of Trustees are 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. Strategic risks are monitored via the Board Assurance Framework, which is reviewed and discussed in detail at every second Board meeting, with on-going progress overseen by the Executive Team and Audit and Risk Committee.

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 2025

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

| Risk Theme | Risk Description | Management Response |
|-----------------------------|--|---|
| Quality of Services | Failure to deliver consistently high standards of patient care may result in patient harm, regulatory breaches, reputational damage and failure to meet contractual requirements. | <p>Our service is underpinned by clinical and professional excellence and any risks that impact quality could have significant consequences for our patients. We recognise that quality is delivered through a whole system quality approach. This includes a Charity-wide clinical governance framework, with focused clinical governance meetings held across different levels within our services, at ward, divisional and executive levels.</p> <p>We have a Quality Management system that integrates Planning, Control, Assurance and Improvement and we have an evidence-based Quality Improvement Programme, which enables us to record and monitor the improvements we are making to address any concerns regarding the quality of services.</p> |
| Financial objectives | <p>Failure to achieve agreed financial objectives, control direct costs, together with maintaining the required income levels, will result in potential challenges for financial sustainability (including pressures on cash flow, bank credit facility and level of reserves) of the Charity and restrict future growth.</p> <p>As well as the potential impact should the Defined Benefit Pension Scheme Funding levels reduce, requiring the Charity to increase cash contributions.</p> | <p>The Charity must remain financially viable, and we strive to deliver our services within our budget 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>The Charity has mechanisms in place to help us to deliver services within annual budgets and we have a well-established committee and meeting structure that helps us gain assurance regarding the delivery of our financial plans, including our Board nominated Finance Committee.</p> <p>There are effective monitoring and assessment processes in place for the DB Pension scheme along with a well-established Investment strategy.</p> |
| Workforce | <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:</p> <ol style="list-style-type: none"> 1. Unsafe staffing levels across some or all services 2. Breach of regulatory / contractual requirements 3. Avoidable and undue pressure on existing staff affecting the organisational culture, staff morale and performance 4. Reduced health and wellbeing of workforce 5. Reputational damage <p>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 that meet its high-quality standards and provides on-going development to ensure all staff reach their full potential. This development supports our values and objectives to maximise the potential of our staff to implement initiatives and procedures that support transformational change, whilst ensuring the Charity remains a safe place to work.</p> <p>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>We have a comprehensive People Plan and associated guiding principles in place that drive the recruitment initiatives and plans, along with several retention focused recognition programmes and employee wellbeing programmes.</p> |

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2025

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

| | | |
|----------------------------------|---|---|
| Delivery Against Strategy | <p>Failure to deliver the Charity Strategy as measured by achievement of the strategic mission. The non-achievement of ambitions or enablers will increase the likelihood of not achieving the Charity Strategic Mission along with the potential deterioration of, or loss of charitable agency.</p> | <p>Delivery of the strategy and achievement of the Charity's Mission will be via 12 ambitions across four strategic areas; Champion, Leading Provider, Expert and Enabled.</p> <p>Each ambition has confirmed goals, measures and agreed change activities. A detailed Operating Plan sets out the implementation of the change activities that will deliver the ambitions and in turn achieve the Mission. These change activities are phased across the agreed strategic period and are based upon prioritisation and are informed by sequencing.</p> <p>Progress on delivering the strategy is overseen by the Executive Team supported by programme management and regular updates to the Charity Board.</p> |
| Reputation | <p>A failure to proactively manage known or knowable issues, or maintaining ineffective responses to serious incidents leads to reputational harm that impacts on the strategic, financial, operational, commercial and purpose-based interests of the Charity.</p> | <p>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 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 we maintain 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, we have proactive and responsive Media Engagement Plans and effective internal disclosure processes for our staff.</p> |
| IT and Cyber | <p>A balanced view of the risks exposed due to advancement in emerging potential threats in the cyber-world may adversely impact the Charity's information systems and applications vulnerable to cyber-attacks.</p> | <p>We have a well-established Information Security team and our continued assurance activity as part of complying with the NHS Data Security & 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> |

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2025

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

| Risk Theme | Risk Description | Management Response |
|-------------------------------|--|---|
| Estates | <p>Failure to provide a well-maintained and well-managed estate that is fit for purpose and utilised efficiently, may lead to:</p> <ol style="list-style-type: none"> 1. the inability to expand on the Charity's strategic aims; 2. the inability to implement step down provision which will impact the timely discharge of patients; 3. an increase in backlog maintenance and repairs; 4. an increase in the cost of reactive maintenance across the estate; 5. potential breach of statutory regulations and other statutory compliance requirements; 6. a declining estate and subsequent reputational damage; and 7. inability to provide fit for purpose accommodation for our service users. | <p>We know that the condition of our estate is integral to keeping patients and staff safe. We are committed to ensuring that our services are provided in buildings that are fit for purpose, are compliant with legislation and do not represent a health and safety risk.</p> <p>We have developed detailed functional strategies for the management of our estate, which are fully aligned with the Charity's overall strategy for 2023-28 and have a robust asset management policy, which is supported by internal performance reviews.</p> |
| Organisational culture | <p>Failure to foster a "charity-wide" culture derived from our CARE values that is positive and challenging, and promotes openness, transparency, diversity, inclusion, and ethical behaviour and drives a quality first ethos, will result in a disjointed and fragmented approach to delivery of strategic business plans and achievement of Charity-wide objectives.</p> | <p>We recognise that our culture is crucial to ensuring the delivery of high-quality, safe and effective patient care and strive to develop a culture that values our staff as individuals to ensure that we can attract and retain our caring staff.</p> <p>We have implemented a number of activities to ensure that the Charity maintains an 'open' culture. These include encouraging staff to speak up, supported by our Speak-up Policy, STEER employee engagement group, 'Your Voice surveys', Whistle-blowing external hotline and our Freedom to Speak Up Guardians. Our people plan sets out a number of key areas of activity which support and provide a framework for improving and creating a consistent culture.</p> |

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2025

Section 172 Statement

The Trustees of St Andrew's 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 continues with its process of transformation and quality improvement, driven by its strategy. Reflection and learning in response to performance issues identified through our stakeholders ensures that 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 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. This includes 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. Patients and Carers are also encouraged to attend regular Round Up meetings held in person and online, as well as having access to the Hope Headlines, the monthly publication containing news from across the Charity. The section below provides examples of how we have engaged with our stakeholders in the year, as well as demonstrating stakeholder considerations in the decision-making process.

Patients

At the heart of the Charity are our patients; as such, it is crucial for the voice of our patients to be heard throughout the Charity, especially at board level, with a "Service and Patient Story" section included on all board agendas.

The Charity's strategy, overseen by the Board via the relevant board committees and at regular focused board strategy days, has clear ambitions directly focused on the considerations of our patients, with agreed milestones co-produced with patients, carers and staff.

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 Board also includes ward and therapy area visits during some of its meetings enabling the Trustees to visit patients and staff in their own settings. The 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. The Charity's patient experience survey, My Voice, aims to capture patient feedback so that the Charity can make well informed improvements. The survey questions were designed by patients, in line with the Triangle of Care standards.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2025

Section 172 Statement – Patients (*continued*)

This year, the Charity's Co-production Network has developed a pledge to ensure patients and service users have an equal say in their care, alongside carers as partners-in-care. The pledge has been created as part of the Co-production Framework which underpins the Champion strategy. There has also been an e-learning module for staff rolled out across the Charity to educate and highlight the benefits of co-production.

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.

Carers

We recognise and value that our patients and service users are supported by a network of families, friends and carers who share their journey here at St Andrew's. We continually seek and welcome the experience and knowledge carers contribute to our patients' and service users' journey, without this we cannot continually learn, improve our services or co-productively make important decisions about the patient's care. 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 ensure that we make well informed decisions in patients and carers best interests. Carer Governors carry out regular visits to our wards which are now informed by patient and carer feedback, following up on actions to ensure the process of receiving feedback to the delivery of actions is completed and continues.

Employees

The Charity recognises the value of its employees and volunteers and the important role they have to play in its success. During the year, an employee survey was conducted with the results being published to the whole Charity and cascaded via team and ward meetings. The engagement score remained high, an indication that staff continued to feel proud, energised and optimistic about the work they do

STEER (St Andrew's Employee Engagement Representatives), launched last year has continued to provide constructive feedback and support the cascade of key messages. The group also supports the CARE and Annual awards selection process. To help communication the Charity's Must Read and Must Watch channels have been introduced to complement the Executive's Open-Door policy.

The "Freedom to Speak Up" Guardians, together 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 the Board and through the Audit & Risk Committee.

The Charity maintains four focused employee Networks that support the Charity's Diversity and Inclusion Strategy, namely WiSH (Women in St Andrew's Healthcare), Unity (focusing on Black, Asian, Minority and Ethnic), DAWN (focusing on disability and wellbeing) and PRIDE (focusing 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, who bring the views and different experiences of the Charity's employees to the discussions at the Court of Governors.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2025

Section 172 Statement (*continued*)

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 Lead Governor, together with the Lead Governor Group, ensures a high 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 high level of interaction and discussion ensures effective ongoing communication between the Court and the Trustees together with 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, Senior 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.

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.

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 maintain 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 and this is reflected locally, where heads of service develop and maintain relationships with inspectors.

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 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, their anti-bribery and corruption practices, data protection policies and modern slavery matters. The Charity also has systems and processes in place to ensure suppliers are paid in a timely manner and comply with the statutory reporting duty for payment practices and performance.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2025

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 strategy contains four 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. Our aim is to build new partnerships where we can share expertise and experience for the benefit of people with complex mental health needs.

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 regular corporate partnership meetings held on a monthly and quarterly basis. 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.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2025

Financial Review of the Group

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 | 2025 | 2024 | Movement |
|---|---------------|--------|--------|--------|----------|
| In-patient occupancy | Annual Avg | Volume | 626 | 623 | 0.5% |
| In-patient occupancy % of available beds | Annual Avg | % | 89 | 89 | 0.0% |
| Surplus | Annual Total | £m | 3.8 | 2.6 | 46.2% |
| Loan balance | at 31st March | £m | (18.0) | (19.0) | (5.3)% |
| Investments held | at 31st March | £m | 18.8 | 18.1 | 3.9% |
| Cash balance held | at 31st March | £m | 29.6* | 21.7 | 36.4% |
| Current Assets to Current Liabilities ratio | at 31st March | Ratio | 1.80:1 | 1.23:1 | 15.4% |

*£2.6m (2024:£2.5m) is held on behalf of patients.

At the end of the 2024/25 financial year, St Andrew's reported a £3.8m surplus (2024: £2.6m surplus) from underlying activities in the year and this was supported by an increase in patients accessing our services, Thrive transformation programme, ongoing robust control of costs, whilst implementing both efficiency and optimisation initiatives.

This improvement was reflected at year end with the Charity strengthening its balance sheet reserves (total funds of £193.4m compared to £191.8m in 2024) providing the platform for the Charity to reduce its loan balance, make capital investment decisions to continuously enhance the facilities and services provided to staff and patients, along with increasing the level of Charity cash reserves.

Income of the Group

| Income from: | 2025 £m | 2025 % | 2024 £m | 2024 % |
|--------------------------|--------------|--------------|--------------|--------------|
| Donations | 0.3 | 0.1 | 0.1 | - |
| Charitable Activities | 204.8 | 87.0 | 191.8 | 88.1 |
| Other Trading Activities | 29.1 | 12.4 | 25.0 | 11.5 |
| Investments | 1.3 | 0.5 | 0.9 | 0.4 |
| Total Income | 235.5 | 100.0 | 217.8 | 100.0 |

Funding received for charitable activities predominantly relates to funding from NHS Commissioners for patient care, along with income for educational services provided. The total income received for the year was £204.8m (2024: £191.8m), an increase of 6.8% on the previous year, which was mainly due to a 0.5% increase in patients accessing our services along with annual inflationary increases.

Other trading activities mainly relates to funding from the Three Shires Hospital LLP totalling £29.1m (2024: £25.0m) in the year, which was an increase of 16.4% from the previous year. Income from investments in the year was £1.3m (2024: £0.9m) reflecting a positive movement in the equity market in 2024/25.

Expenditure of the Group

| Expenditure on: | 2025 £m | 2025 % | 2024 £m | 2024 % |
|--------------------------|----------------|--------------|----------------|--------------|
| Charitable activities | (208.4) | 89.9 | (194.3) | 90.8 |
| Other trading activities | (21.8) | 9.4 | (18.2) | 8.5 |
| Interest | (1.6) | 0.7 | (1.6) | 0.7 |
| Total expenditure | (231.8) | 100.0 | (214.1) | 100.0 |

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2025

Financial Review of the Group (*continued*)

In 2024/25, total expenditure was £231.8m (2024: £214.1m), 8.3% more than in the previous year, which is relational to the increased income reported. The main cost increases relate to staffing, with more staff employed to support the increase in patients accessing our services and the annual inflationary cost of living wage increase; and investment in the estate that does not qualify as capital expenditure to improve the environment for our service users.

Charitable activities accounted for 89.9% of the group's expenditure, amounting to £208.4m (2024: £194.3m), and was used in either directly caring for our patients or providing the infrastructure and enabling services required to make that possible.

Pensions

The Charity's defined benefit pension scheme is closed to new entrants and in December 2023 Capital Cranford were appointed as professional independent sole trustees of the scheme. The next triennial scheme valuation is March 2025 but during 2024/25 a liability decrease of £0.8m was recognised in the accounts.

The defined contribution pension scheme is open to new entrants and managed on behalf of the Charity by Scottish Widows.

Investments

St Andrew's investment portfolio is managed by Evelyn Partners LLP. The Charity is committed to ethical investments and we ensure that our portfolio is invested in line with this.

The Group holds investments with an objective to maximise the returns received while maintaining the capital value of investments in real terms over the long term and also providing a source of readily liquidated funds if needed. The investments are held as part of the Charity's reserves policy. In addition, St Andrew's holds some property investments yielding annual third party rental.

By the end of the financial year the investments had increased to £18.8m (2024: £18.1m) due to favourable stock market movements.

Reserves

Reserves are shown by the total fund balances on the balance sheet on page 34. The balance sheet shows total net assets of £193.4m (2024: £191.8m). It shows total unrestricted reserves of £190.6m (2024: £188.9m) and restricted reserves of £1.1m (2024: £1.1m).

A significant proportion of the above reserves relate to fixed assets, £178.3m (2024 £186.5m) that are excluded from the Charity's reserves policy, which 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's 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. The target minimum Operating Reserve Fund is equal to one month of average operating costs.
- 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. The target minimum Unforeseen Reserve Fund is set at 5% of annual income.
- Essential Maintenance Reserve: cash flow to cover unexpected repairs to critical assets to maintain ongoing services. This is set at 1.5% of annual income.

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 that reserves are 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.

St Andrew's Healthcare

Strategic Report for the Year Ended 31 March 2025

Financial Review of the Group (*continued*)

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 of 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. During the year ended 31 March 2025 there was a 30% improvement in the achievement of the reserves policy. However, this will be compromised by the financial impact of the admission restrictions imposed in July 2025 (see post balance sheet events). The revised financial plan approved by the Board in October 2025 projects a gradual improvement in the Charity reserves over the plan period.

Forward Look

Following the restrictions to admissions in July 2025 and subsequent financial impact, a revised financial plan was approved by the Board in October 2025 and an external independent review has been commissioned covering the years ending 31 March 2026 to 31 March 2030. This shows the Charity continues to operate and meet its obligations as they fall due, utilising investments held, available cash reserves and loan facility as required to meet the cashflow requirements to navigate this challenging period, along with expenditure investment required to improve our quality of care.

It's projected the Northampton site will reduce the number of inpatients supported, through the cessation of unsustainable services and ward consolidation. The plan incorporates several initiatives that align the Charity cost base to the forecasted income levels, creating long term financial sustainability.

Financial Instruments

The group has exposures to two main areas of risk; liquidity risk 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 and investment portfolio 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 in order to manage risk arising for interest rates, the Charity entered into a Swaps and Derivatives agreement for the majority of the revolving credit facility. This agreement was effective from 30th June 2023 to 30 September 2025. The decision was taken not to re-enter a swap agreement. Interest rate risk is not expected to have a material impact on the finances in the short to medium term, but if there was a significant adverse movement in the rate, other cost levers have been identified to mitigate the risk.

St Andrew’s Healthcare
Strategic Report for the Year Ended 31 March 2025

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, however, the restrictions on admissions to the Northampton site that were imposed in July 2025 (as disclosed in the post balance sheet events) have placed significant financial pressure on the Charity. The Charity has acted quickly to mitigate this risk and immediately cut all discretionary spend, opened a voluntary redundancy scheme and took the difficult decision to close certain services that were no longer financially viable.

A revised financial plan was approved by the Board in October 2025 and an external independent review has been commissioned covering the years ended 31 March 2026 to 31 March 2030. This shows the Charity continues to operate and meet its obligations as they fall due. The plan assumes that restrictions will be lifted in the future, but the timing of those restrictions being lifted has a significant impact. The Charity is working with the CQC and NHS England on when it is appropriate to lift the restrictions, whilst ensuring the action plans provide sustainable quality improvements and delivering the expected level of care to patients.

The revised financial plan shows that along with the disposal of certain investments held, the available cash reserves and loan facility are sufficient to meet the cash requirements to navigate this challenging period, along with expenditure investment required to improve our quality of care. The financial statements have therefore been prepared on the going concern basis. The existing banking credit facility was signed and commenced on 4 October 2022 at a level of £27m. The duration of the facility was three years, with a two-year extension option, which was executed in October 2024. The facility is structured to provide a £27m loan from commencement but reducing by £1m per annum. The facility has been extended to 31st March 2027 whereby the total facility will be £22m. The balance as at the date of signing was £17m of the available £24m. The revised financial plan indicates the bank covenants will be breached in the financial year ending 31 March 2026, due to the expected losses attributable to the reduced income and the time taken for some of the cost savings to be realised. Therefore, there is a material uncertainty related to events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern. The Charity have held early engagement with the banks, and work has commenced with the lenders to restructure the facility. If the loan was to become repayable immediately on breaching the covenants, there are assets that could be liquidated, but there may be delays in realising those assets leading to liquidity risk.

The Trustees therefore believe that until further information is known regarding the date that admission restrictions will be removed and the bank credit facility restructure is concluded, whilst it is appropriate to prepare the financial statements on a going concern basis, the material uncertainty should be disclosed.

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): |  |  |
| Full name(s): | Ruth Bagley | Dr Vivienne McVey |
| Position: | Deputy Chair | Chief Executive Officer |
| Date: | 5 December 2025 | 5 December 2025 |

St Andrew's Healthcare

Independent Auditor's Report to the Trustees 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 2025, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, 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 2025 and of the group's incoming resources and application of resources, including the group's and the parent income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice: Accounting and Reporting by Charities, 2019 Edition; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.

Basis for opinion

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. 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.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the restrictions on admissions to the Northampton site that were imposed in July 2025 have placed significant financial pressure on the group. The revised financial plan indicates the bank covenants will be breached in the financial year ending 31 March 2026. As stated in note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Our responsibilities

We are responsible for concluding on the appropriateness of the directors' 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 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 to cease to continue as a going concern.

St Andrew's Healthcare

Independent Auditor's Report to the Trustees of St Andrew's Healthcare

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

Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report and Financial Statements. 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 Combined Trustees' and Directors' Report, prepared for the purpose of company law, included in the Combined Trustees' and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Combined Trustees' and Directors' Report included in the Annual Report and Financial Statements 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 their 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 and Financial Statements.

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 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient 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 set out on page 15, 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,

St Andrew's Healthcare

Independent Auditor's Report to the Trustees of St Andrew's Healthcare

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 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;

St Andrew's Healthcare

Independent Auditor's Report to the Trustees of St Andrew's Healthcare

- 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.

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

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 and section 154 of the Charities Act 2011. 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.



Jim McLarnon ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

Date: 9/12/2025

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

St Andrew's Healthcare

Consolidated Statement of Financial Activities For the Year Ended 31 March 2025

| | | Unrestricted funds | Restricted funds | Total funds | Unrestricted funds | Restricted funds | Total funds |
|--------------------------------|--|--------------------|------------------|----------------|--------------------|------------------|----------------|
| | | | | 2025 | | | 2024 |
| Note | | £m | £m | £m | £m | £m | £m |
| Income from: | | | | | | | |
| | | 0.3 | - | 0.3 | 0.1 | - | 0.1 |
| | | 204.8 | - | 204.8 | 191.8 | - | 191.8 |
| | | 29.1 | - | 29.1 | 25.0 | - | 25.0 |
| | | 1.2 | 0.1 | 1.3 | 0.9 | - | 0.9 |
| | | 235.4 | 0.1 | 235.5 | 217.8 | - | 217.8 |
| Expenditure on: | | | | | | | |
| | | (208.3) | (0.1) | (208.4) | (194.3) | - | (194.3) |
| | | (21.8) | - | (21.8) | (18.2) | - | (18.2) |
| | | (1.6) | - | (1.6) | (1.6) | - | (1.6) |
| | | (231.7) | (0.1) | (231.8) | (214.1) | - | (214.1) |
| | | 3.7 | - | 3.7 | 3.7 | - | 3.7 |
| | | 0.5 | - | 0.5 | 0.7 | - | 0.7 |
| | | 4.2 | - | 4.2 | 4.4 | - | 4.4 |
| | | (0.1) | - | (0.1) | - | - | - |
| | | 4.1 | - | 4.1 | 4.4 | - | 4.4 |
| | | - | - | - | - | - | - |
| | | (1.7) | - | (1.7) | (2.0) | - | (2.0) |
| | | 2.4 | - | 2.4 | 2.4 | - | 2.4 |
| Other recognised gains: | | | | | | | |
| | | 1.4 | - | 1.4 | 0.2 | - | 0.2 |
| | | 3.8 | - | 3.8 | 2.6 | - | 2.6 |

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 2025

| | | 2025 | 2024 |
|--|------|--------------|--------------|
| | Note | £m | £m |
| Fixed assets: | | | |
| Intangible assets | 15 | 0.8 | 0.7 |
| Tangible assets | 15 | 177.4 | 185.8 |
| Investments | 16 | 6.1 | 18.1 |
| | | 184.3 | 204.6 |
| Current assets: | | | |
| Investments | 16 | 12.7 | - |
| Stock | | 0.8 | 0.8 |
| Debtors | 17 | 16.9 | 14.5 |
| Cash at bank and in hand | 18 | 29.6 | 21.7 |
| | | 60.0 | 37.0 |
| Current liabilities: | | | |
| Creditors falling due within one year | 19 | (33.3) | (30.0) |
| Net current assets | | 26.7 | 7.0 |
| Total assets less current liabilities | | 211.0 | 211.6 |
| Creditors falling due after one year | 19 | (17.2) | (18.6) |
| Net assets excluding pension scheme liability | | 193.8 | 193.0 |
| Pension scheme liabilities | 22 | (0.4) | (1.2) |
| Total net assets | | 193.4 | 191.8 |
| Funds of the Group: | | | |
| Restricted funds | 21 | 1.1 | 1.1 |
| Unrestricted funds | | 190.6 | 188.9 |
| | | 191.7 | 190.0 |
| EFRBS pension reserve | | (0.4) | (0.5) |
| Total funds of the Group | | 191.3 | 189.5 |
| Non-controlling interests | 8 | 2.1 | 2.3 |
| Total funds | | 193.4 | 191.8 |

The notes on pages 38 to 61 are an integral part of the financial statements.

The financial statements on pages 33 to 61 were approved by the Board of Directors on 5 December 2025 and were signed on its behalf by:

Ruth E Bagley

Ruth Bagley
Deputy Chair 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 2025

| | Note | 2025 £m | 2024 £m |
|--|------|--------------|--------------|
| Fixed assets: | | | |
| Intangible assets | 15 | 0.8 | 0.7 |
| Tangible assets | 15 | 185.5 | 194.1 |
| Investments | 16 | 6.1 | 18.1 |
| | | 192.4 | 212.9 |
| Current assets: | | | |
| Investments | 16 | 12.7 | - |
| Stock | | 0.4 | 0.5 |
| Debtors | 17 | 13.7 | 13.1 |
| Cash at bank and in hand | 18 | 27.8 | 17.3 |
| | | 54.6 | 30.9 |
| Current liabilities: | | | |
| Creditors falling due within one year | 19 | (29.5) | (25.9) |
| Net current assets | | 25.1 | 5.0 |
| Total assets less current liabilities | | 217.5 | 217.9 |
| Creditors falling due after one year | 19 | (17.2) | (18.6) |
| Net assets excluding pension scheme liability | | 200.3 | 199.3 |
| Pension scheme liabilities | 22 | (0.4) | (1.2) |
| Total net assets | | 199.9 | 198.1 |
| Funds of the Charity: | | | |
| Restricted funds | 21 | 1.1 | 1.1 |
| Unrestricted funds | | 199.2 | 197.5 |
| | | 200.3 | 198.6 |
| EFRBS pension reserve | | (0.4) | (0.5) |
| Total funds | | 199.9 | 198.1 |

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 surplus before other recognised gains was £0.4m (2024: £0.9m).

The notes on pages 38 to 62 are an integral part of the financial statements.

The financial statements on pages 33 to 62 were approved by the Board of Directors on 5 December 2025 and were signed on its behalf by:

Ruth E Bagley

Ruth Bagley
Deputy Chair 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 2025

| | Note | 2025 £m | 2024 £m |
|---|------|--------------|--------------|
| Net cash from operating activities | 24 | 14.3 | 15.5 |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | 5,6 | 1.9 | 1.4 |
| Dividends paid | | (4.0) | (3.2) |
| Purchase of property, plant & equipment | 15 | (2.6) | (6.0) |
| Purchase of intangibles | 15 | (0.3) | - |
| Proceeds from sale of investments | 16 | 2.0 | 3.1 |
| Purchase of investments | 16 | (2.2) | (3.1) |
| Other movement on investments | | (0.2) | (0.1) |
| Net cash used in investing activities | | (5.4) | (7.9) |
| Cash flows from financing activities: | | | |
| Repayments of borrowing | 19 | (1.0) | (1.0) |
| Net cash used in financing activities | | (1.0) | (1.0) |
| Change in cash and cash equivalents in the reporting year | | 7.9 | 6.6 |
| Cash and cash equivalents at the beginning of the reporting year | | 21.7 | 15.1 |
| Cash and cash equivalents at the end of the reporting year | 18 | 29.6 | 21.7 |

St Andrew's Healthcare

Consolidated Statement of Changes in Funds For the Year Ended 31 March 2025

| | Restricted & unrestricted funds £m | EFRBS pension reserve £m | Non-controlling Interests £m | Group Total £m |
|--|---|--------------------------------|------------------------------------|-------------------|
| Balance as at 31 March 2024 | 190.0 | (0.5) | 2.3 | 191.8 |
| Net Income attributable to the group | 2.4 | - | - | 2.4 |
| Actuarial gains on pension schemes | 1.3 | 0.1 | - | 1.4 |
| Net income attributable to non-controlling interests | - | - | - | - |
| Dividends paid | - | - | 1.8 | 1.8 |
| Other movements | (2.0) | - | (2.0) | (4.0) |
| Balance as at 31 March 2025 | 191.7 | (0.4) | 2.1 | 193.4 |

| | Restricted & unrestricted funds £m | EFRBS pension reserve £m | Non-controlling Interests £m | Group Total £m |
|--|---|--------------------------------|------------------------------------|-------------------|
| Balance as at 1 April 2023 | 188.6 | (0.5) | 2.3 | 190.4 |
| Net Income attributable to the group | 2.4 | - | - | 2.4 |
| Actuarial gains on pension schemes | 0.2 | - | - | 0.2 |
| Net income attributable to non-controlling interests | 0.4 | - | (0.4) | - |
| Dividends paid | - | - | 2.0 | 2.0 |
| Other movements | (1.6) | - | (1.6) | (3.2) |
| Balance as at 31 March 2024 | 190.0 | (0.5) | 2.3 | 191.8 |

St Andrew's Healthcare

Notes to the Financial Statements

1. General Information

St Andrew's 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.

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

2. Accounting Policies

Basis of Preparation

The financial statements of the Group and the 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, however, the restrictions on admissions to the Northampton site that were imposed in July 2025 (as disclosed in the post balance sheet events) have placed significant financial pressure on the Charity. The Charity has acted quickly to mitigate this risk and immediately cut all discretionary spend, opened a voluntary redundancy scheme and took the difficult decision to close certain services that were no longer financially viable.

A revised financial plan was approved by the Board in October 2025 and an external independent review has been commissioned covering the years ended 31 March 2026 to 31 March 2030. This shows the Charity continues to operate and meet its obligations as they fall due. The plan assumes that restrictions will be lifted in the future, but the timing of those restrictions being lifted has a significant impact. The Charity is working with the CQC and NHS England on when it is appropriate to lift the restrictions, whilst ensuring the action plans provide sustainable quality improvements and delivering the expected level of care to patients.

The revised financial plan shows that along with the disposal of certain investments held, the available cash reserves and loan facility are sufficient to meet the cash requirements to navigate this challenging period, along with expenditure investment required to improve our quality of care. The financial statements have therefore been prepared on the going concern basis. The existing banking credit facility was signed and commenced on 4 October 2022 at a level of £27m. The duration of the facility was three years, with a two-year extension option, which was executed in October 2024. The facility is structured to provide a £27m loan from commencement but reducing by £1m per annum. The facility has been extended to 31st March 2027 whereby the total facility will be £22m. The balance as at the date of signing was £17m of the available £24m. The revised financial plan indicates the bank covenants will be breached in the financial year ending 31 March 2026, due to the expected losses attributable to the reduced income and the time taken for some of the cost savings to be realised. Therefore, there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. The Charity have held early engagement with the banks, and work has commenced with the lenders to restructure the facility. If the loan was to become repayable immediately on breaching the covenants, there are assets that could be liquidated, but there may be delays in realising those assets leading to liquidity risk.

The Trustees therefore believe that until further information is known regarding the date that admission restrictions will be removed and the bank credit facility restructure is concluded, whilst it is appropriate to prepare the financial statements on a going concern basis, the material uncertainty should be disclosed.

St Andrew's Healthcare

Notes to the 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; and
- Three Shires Hospital LLP, a subsidiary of St Andrews Property Management Limited.

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 are recognised as income when entitlement has passed to the Charity, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the Charity is probable and that economic benefit can be measured reliably. If any conditions of the donation are not met, the income is deferred as a liability and shown on the balance sheet as deferred income. Deferred income is released to income in the reporting period in which the conditions that limit recognition are met.

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

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.

St Andrew's Healthcare

Notes to the Financial Statements

Employee Benefits

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

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 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.

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').

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.

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. This liability is secured on a proportion of the Charity's land and building portfolio.

Any termination payments to employees are expensed to the SOFA when incurred.

Provisions

Provisions are recognised when the Charity has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of a resources will be required to settle the obligation, and the amount can be reliably estimated.

Restructuring costs are recognised once there is a legal or constructive obligation to undertake restructuring activities, which includes redundancy payments.

Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged/received against profit and loss account on a straight-line basis over the period of the lease.

Hire Purchase and Finance Lease Agreements

Assets held under hire purchase and finance lease agreements are capitalised and disclosed under tangible fixed assets at their fair value and subsequently measured at historical cost, less accumulated depreciation, and any recognised provision for impairment. The capital element of the future payments is treated as a liability, and the interest is charged to the profit and loss account on a straight-line basis.

St Andrew's Healthcare

Notes to the Financial Statements

Investments

Investments comprise investment properties, stock market investments and investments in subsidiaries and joint ventures. Investment properties are revalued to fair value on an annual basis by Berry's Chartered Surveyors and Valuers. Stock market investments are managed by Evelyn Partners LLP and 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 net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. At each reporting date, stocks are assessed for impairment. If the stock is impaired, the carrying value is reduced to its selling price less costs to complete and sell. The impairment is recognised immediately in the Statement of Financial Activities.

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

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 that 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.

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. Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If such evidence is identified, an impairment loss is recognised in the 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 finance costs or finance income as appropriate.

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.

St Andrew's Healthcare

Notes to the Financial Statements

Tangible Fixed Assets

Tangible fixed assets are measured at historical cost, less accumulated depreciation, and any recognised provision for impairment. Historical cost includes the purchase price of the asset, expenses attributable to bringing the asset to the location and working condition necessary, and any capitalised borrowing costs.

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:

| | |
|---|---|
| Land | Not depreciated |
| Freehold property | 50 years |
| Building extensions | 25 years |
| Building refurbishments | 10 or 15 years (major refurbishments) |
| Assets Under Construction | Not depreciated |
| Fixtures, fittings, machinery and equipment | 3 to 5 years (or the lease term if shorter) |
| Motor Vehicles | 5 years (or the lease term if shorter) |

At each reporting date, the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

Intangible Fixed Assets

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 under construction are not depreciated.

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. After 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.

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.

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 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.

St Andrew's Healthcare

Notes to the Financial Statements

3. Accounting Estimates and Judgements (*continued*)

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 Chair 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.

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 page 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.

Investment Property Valuations

Investment properties are revalued to fair value on an annual basis by Berry's Chartered Surveyors and Valuers using a combination of estimated future rental income and potential market value for development of the site. Whilst factors outside the control of Berry's 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

| 5. Income from Other Trading Activities | 2025 | 2024 |
|---|-------------|-------------|
| | £m | £m |
| Three Shires Hospital LLP - healthcare activities | 27.8 | 23.8 |
| Other - healthcare related services | 0.7 | 0.7 |
| Rental income | 0.6 | 0.5 |
| Total | 29.1 | 25.0 |

| 6. Income from Investments | 2025 | 2024 |
|----------------------------|------------|------------|
| | £m | £m |
| Dividends received | 0.2 | 0.2 |
| Interest received | 1.1 | 0.7 |
| Total | 1.3 | 0.9 |

| 7. Expenditure on Charitable Activities | 2025 | 2024 |
|--|--------------|--------------|
| | £m | £m |
| Staff costs | | |
| Wages and salaries | 148.4 | 137.6 |
| Social security costs | 13.3 | 12.4 |
| Other pension costs | 4.5 | 4.6 |
| Training | 1.2 | 1.0 |
| Other | 0.7 | 0.7 |
| Facilities and residents' amenities | 16.1 | 14.5 |
| Administration | 13.0 | 13.2 |
| Depreciation of fixed assets | 10.6 | 9.9 |
| Operating lease costs | 0.2 | 0.1 |
| External governance costs: | | |
| Statutory audit | 0.1 | 0.1 |
| Legal advice | 0.3 | 0.2 |
| Total | 208.4 | 194.3 |

Staff costs include £528k (2024: £162k) in relation to redundancy and termination payments where individuals were notified during the financial year. £136k is accrued at the year-end (2024: £175k). Audit fees for the Group were £112k (2024: £106k). Fees charged by the Group auditor for subsidiary audits were £9k (2024: £8.5k). Non-audit fees for the Group were £nil (2024: £20k). There were no non-audit fees for the subsidiary (2024: nil). There are no non-underlying items in the year ended 31 March 2025 (2024: None).

Expenditure on charitable activities by fund type

| | Unrestricted funds | Restricted funds | Total funds | Unrestricted funds | Restricted funds | Total funds |
|-------------------------------|--------------------|------------------|--------------|--------------------|------------------|--------------|
| | 2025 | 2025 | 2025 | 2024 | 2024 | 2024 |
| | £m | £m | £m | £m | £m | £m |
| Patient/Service User Services | 139.4 | - | 139.4 | 130.0 | - | 130.0 |
| Support Services | 61.4 | - | 61.4 | 57.2 | - | 57.2 |
| Education & Research | 7.5 | 0.1 | 7.6 | 7.1 | - | 7.1 |
| Total | 208.3 | 0.1 | 208.4 | 194.3 | - | 194.3 |

St Andrew's Healthcare

Notes to the Financial Statements

Expenditure on charitable activities by activity type

| | Activities undertaken directly 2025 £m | Grant funded activities 2025 £m | Support costs 2025 £m | Total 2025 £m | Activities undertaken directly 2024 £m | Grant funded activities 2024 £m | Support costs 2024 £m | Total 2024 £m |
|----------------------|--|---|--------------------------------|---------------------|--|---|--------------------------------|---------------------|
| Patient Services | 142.3 | - | - | 142.3 | 130.0 | - | - | 130.0 |
| Support Services | - | - | 60.4 | 60.4 | - | - | 57.2 | 57.2 |
| Education & Research | 8.1 | (2.4) | - | 5.7 | 9.7 | (2.6) | - | 7.1 |
| Total | 150.4 | (2.4) | 60.4 | 208.4 | 139.7 | (2.6) | 57.2 | 194.3 |

8. Non-Controlling Interests

| | Share of net income 2025 £m | Share of net assets 2025 £m | Share of net income 2024 £m | Share of net assets 2024 £m |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Three Shires Hospital LLP | 1.7 | 2.1 | 2.0 | 2.3 |

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:

| | 2025 £m | 2024 £m |
|---|------------|------------|
| Current tax: | | |
| UK corporation tax | - | - |
| Adjustments in respect of prior year | 0.1 | - |
| Tax on profit on ordinary activities of subsidiaries | 0.1 | - |

Factors Affecting Tax Charge

The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 25% (2024: 19%). The differences are explained below:

| | 2025 £m | 2024 £m |
|---|------------|------------|
| Profit on ordinary activities of subsidiaries before tax | 5.4 | 5.6 |
| Less profit not subject to corporation tax | (3.5) | (4.0) |
| Profits subject to corporation tax | 1.9 | 1.6 |
| Profit on ordinary activities at UK rate of 25% (2024: 25%) | 0.5 | 0.4 |
| Effects of: | | |
| Qualifying charitable donations | (0.5) | (0.4) |
| Total tax charge for the year | - | - |

St Andrew's Healthcare

Notes to the Financial Statements

10. Staff Numbers

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

| | Consolidated Group | | Charitable Company | |
|-----------------------------------|--------------------|--------------|--------------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| Care for service users | 3,771 | 4,094 | 3,771 | 4,094 |
| Other healthcare related services | 310 | 298 | 50 | 43 |
| Total | 4,081 | 4,393 | 3,821 | 4,138 |

11. Emoluments Analysis

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

| | 2025 Number | 2024 Number |
|----------------------|----------------|----------------|
| £60,000 to £70,000 | 109 | 87 |
| £70,001 to £80,000 | 59 | 45 |
| £80,001 to £90,000 | 28 | 29 |
| £90,001 to £100,000 | 21 | 16 |
| £100,001 to £110,000 | 12 | 12 |
| £110,001 to £120,000 | 6 | 6 |
| £120,001 to £130,000 | 8 | 7 |
| £130,001 to £140,000 | 8 | 9 |
| £140,001 to £150,000 | 6 | 4 |
| £150,001 to £160,000 | 6 | 7 |
| £160,001 to £170,000 | 3 | 5 |
| £170,001 to £180,000 | 5 | 4 |
| £180,001 to £190,000 | 1 | 5 |
| £190,001 to £200,000 | 5 | 2 |
| £200,001 to £210,000 | 3 | 1 |
| £210,001 to £220,000 | 1 | - |
| £220,001 to £230,000 | 2 | 1 |
| £230,001 to £240,000 | 1 | 1 |
| £240,001 to £250,000 | - | 1 |
| £250,001 to £260,000 | 1 | - |
| £260,001 to £270,000 | - | - |
| £270,001 to £280,000 | - | - |
| £280,001 to £290,000 | - | 1 |
| £290,001 to £300,000 | 1 | - |
| £300,001 to £310,000 | 1 | - |
| Total | 287 | 243 |

St Andrew's Healthcare

Notes to the Financial Statements

12. The Cost of Key Management Personnel

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

| <u>2024/2025</u> | | Salaries ¹ | E'er's NI ² | Pension | Other Benefits ³ | Total | Expenses |
|---------------------------------------|----------------------------|-----------------------|---------------------------|------------|--------------------------------|--------------|--------------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | ⁴ £'000 |
| Rt Hon Paul Burstow | Chair | 54 | 4 | 20 | 16 | 94 | - |
| Andrew Lee | | - | - | - | - | - | 0.7 |
| Karen Turner | | - | - | - | - | - | 1.0 |
| Stephen Shrubbs | | - | - | - | - | - | 2.8 |
| Non-Executive Director Total | | 54 | 4 | 20 | 16 | 94 | 4.5 |
| Vivienne McVey | Chief Executive Officer | 293 | 37 | 26 | - | 356 | 0.1 |
| Dawn Chamberlain | Chief Operating Officer | 295 | 37 | 16 | 12 | 360 | - |
| Kevin Mulhearn | Chief Finance Officer | 221 | 28 | 20 | - | 269 | 0.2 |
| Dr Sanjith Kamath | Executive Medical Director | 230 | 31 | 4 | 21 | 286 | 0.6 |
| Other key management personnel | | 871 | 105 | 105 | 54 | 1,135 | 1.1 |
| Executive Director Total | | 1,910 | 238 | 171 | 87 | 2,406 | 2.0 |
| Duncan Long | Company Secretary | 107 | 14 | 10 | 6 | 137 | 0.3 |
| Total | | 2,071 | 256 | 201 | 109 | 2,637 | 6.8 |

Notes

- Salaries include severance pay of £30k paid to Dawn Chamberlain and a member of other key management personnel. It also includes lieu pay of £92.3k paid to Dawn Chamberlain and £81.0k to other key management personnel.
- E'er's NI is employers' national insurance contributions.
- Other benefits include admin support fees of £15k for the Rt Hon Paul Burstow which were invoiced by Indy Associates Limited. Also included are travel allowances, pension compensation, consultancy pay and holiday pay.
- Expenses relate primarily to travel & subsistence costs.

With the exception of Rt. Hon. Paul Burstow, all other Non-Executive Directors are volunteers and unpaid apart from the reimbursement of expenses.

St Andrew's Healthcare

Notes to the Financial Statements

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. The below table was restated to include employer's national insurance (E'ers' NI).

| | | Salaries ¹ £'000 | E'ers' NI £'000 | Pension £'000 | Other Benefits ² £'000 | Total £'000 | Expenses ³ £'000 |
|--|----------------------------|--------------------------------|-----------------------|------------------|---|----------------|--------------------------------|
| 2023/2024 | | | | | | | |
| Rt Hon Paul Burstow | Chair | 53 | 6 | - | 15 | 74 | 2.1 |
| Andrew Lee | | - | - | - | - | - | 0.5 |
| Karen Turner | | - | - | - | - | - | 1.4 |
| Stephen Shrubbs | | - | - | - | - | - | 2.2 |
| Prof. Stanton Newman | | - | - | - | - | - | 0.5 |
| Non-Executive Director Total | | 53 | 6 | - | 15 | 74 | 6.7 |
| Vivienne McVey | Chief Executive Officer | 287 | 36 | 26 | - | 349 | 1.0 |
| Dawn Chamberlain | Chief Operating Officer | 176 | 23 | 16 | 8 | 223 | - |
| Kevin Mulhearn | Chief Finance Officer | 187 | 24 | 17 | 6 | 234 | 0.2 |
| Andrew Brogan | Chief Nurse | 90 | 12 | 6 | 6 | 114 | - |
| Dr Sanjith Kamath | Executive Medical Director | 220 | 30 | 4 | 20 | 274 | 0.5 |
| Martin Kersey | Executive HR Director | 201 | 23 | 13 | 4 | 241 | 0.2 |
| Stacey Carter | Executive HR Director | 85 | 10 | 7 | - | 102 | 0.4 |
| Key management personnel who are not Trustees | | 765 | 104 | 73 | 71 | 1,013 | 1.1 |
| Executive Director Total | | 2,011 | 262 | 162 | 115 | 2,550 | 3.4 |
| Duncan Long | Company Secretary | 102 | 13 | 9 | 6 | 130 | 0.3 |
| Total | | 2,166 | 281 | 171 | 136 | 2,754 | 10.4 |

Notes

- Salaries include severance pay of £30k paid to both Martin Kersey and John Clarke. It also includes lieu pay of £93.4k, £45.1k and £110.5k paid to Martin Kersey, Andrew Brogan and John Clarke respectively.
- Other benefits include admin support fees of £13k for the Rt Hon Paul Burstow which were invoiced by Indy Associates Limited. Also included in other benefits are car scheme payments, responsibility allowances, pension compensation, consultancy pay and holiday pay.
- Expenses relate primarily to travel & subsistence costs.

With the exception of Rt. Hon. Paul Burstow, all other Non-Executive Directors are volunteers and unpaid apart from the reimbursement of expenses.

St Andrew’s Healthcare

Notes to the Financial Statements

13. Related Party Transactions

Consolidated Group

The Group has not entered into any transactions with Trustee Directors or the Company Secretary during the year. The Charity paid £60k (2024 £71k) for membership fees to the Royal College of Psychiatrists in the year of which Karen Turner is a trustee.

There are no related party transactions with group companies other than those noted below:

Entity with significant influence over Three Shires Hospital LLP

Trading and balances between Three Shires Hospital LLP and Circle Health Group Limited was as per below:

| | 2025 £m | 2024 £m |
|--|------------|------------|
| Charges to Three Shires Hospital LLP by Circle Health Group Limited: | | |
| Management charges | 1.7 | 1.5 |
| Purchased goods and other recharges | 0.5 | 0.3 |
| Amounts owed by Three Shires Hospital LLP to Circle Health Group Limited | 0.6 | 0.3 |

In 2024 and 2025 there is no fixed date for repayment, and no interest is charged on the amounts owed.

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 Directors of St Andrews Property Management Limited.

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

| | 2025 £m | 2025 £m |
|---|------------|------------|
| Gift aid donation paid by St Andrews Property Management Limited to the Charity | 1.8 | 1.6 |

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:

| | 2025 £m | 2024 £m |
|---------------|------------|------------|
| Rental income | 1.4 | 1.4 |

14. Subsidiary Undertakings

All subsidiary undertakings are registered in England and Wales.

St Andrew's Healthcare

Notes to the Financial Statements

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 Chair 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.

14. Subsidiary Undertakings (*continued*)

The Charity is the ultimate controlling party of St Andrew's Foundation for Mental Health (Company number 10938734). This is a dormant company and exempt from preparing or filing individual accounts under CA 2006, s. 394A. The registered office of this company is St Andrew's Healthcare, Billing Road, Northampton, England, NN1 5DG.

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:

| | St Andrews Property Management Limited | | Three Shires Hospital LLP | |
|---------------------------------|--|-------------|---|-------------|
| Company number | 2798380 | | OC398963 | |
| Registered office | Billing Road Northampton Northamptonshire NN1 5DG | | 1st Floor 30 Cannon Street London EC4M 6XH | |
| | 2025 | 2024 | 2025 | 2024 |
| | £m | £m | £m | £m |
| Income | 1.9 | 1.6 | 27.9 | 24.6 |
| Expenditure | - | - | (24.4) | (20.6) |
| Tax | (0.1) | - | - | - |
| Net income | 1.8 | 1.6 | 3.5 | 4.0 |
| Fixed assets | 1.5 | 1.5 | 2.6 | 2.8 |
| Current assets | 0.1 | 0.1 | 5.3 | 6.0 |
| Liabilities due within one year | - | - | (3.8) | (4.2) |
| Net assets | 1.6 | 1.6 | 4.1 | 4.6 |

St Andrew's Healthcare

Notes to the Financial Statements

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 | Goodwill £m | Total intangible assets £m |
|---------------------------------|-----------------------------------|---------------------------------|---|----------------------|-----------------------------|----------------|----------------|-------------------------------|
| Cost | | | | | | | | |
| At 31 March 2024 | 278.1 | 1.8 | 30.5 | 0.5 | 310.9 | 9.7 | 1.8 | 11.5 |
| Additions | 0.2 | - | 2.3 | 0.1 | 2.6 | 0.3 | - | 0.3 |
| Disposals | (4.4) | - | (2.0) | (0.1) | (6.5) | (0.3) | - | (0.3) |
| Reclassifications | - | (0.4) | 0.3 | - | (0.1) | 0.1 | - | 0.1 |
| At 31 March 2025 | 273.9 | 1.4 | 31.1 | 0.5 | 306.9 | 9.8 | 1.8 | 11.6 |
| Accumulated depreciation | | | | | | | | |
| At 31 March 2024 | 103.2 | - | 21.4 | 0.5 | 125.1 | 9.2 | 1.6 | 10.8 |
| Charge for the year | 7.5 | - | 3.3 | 0.1 | 10.9 | 0.2 | 0.1 | 0.3 |
| Disposals | (4.4) | - | (2.0) | (0.1) | (6.5) | (0.3) | - | (0.3) |
| At 31 March 2025 | 106.3 | - | 22.7 | 0.5 | 129.5 | 9.1 | 1.7 | 10.8 |
| Net book value | | | | | | | | |
| At 31 March 2025 | 167.6 | 1.4 | 8.4 | - | 177.4 | 0.7 | 0.1 | 0.8 |
| At 31 March 2024 | 174.9 | 1.8 | 9.1 | - | 185.8 | 0.5 | 0.2 | 0.7 |

The net book value of tangible fixed assets includes £0.5m (2023: £0.9m) in respect of assets held under hire purchase and finance lease agreements.

Included in the net book value of freehold land and buildings is £21.1m (2024: £21.1m) and £20.4m (2024: £20.4m) relating to freehold land owned by the Group and Charity respectively.

FitzRoy House and William Wake House at our Northampton site and property at our Essex site are held as security against the Charity's lending facilities. The carrying value of these properties at 31 March 2025 amounted to £100.3m (2024: £102.7m).

St Andrew's Healthcare

Notes to the Financial Statements

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 | Goodwill | Total intangible assets |
|---------------------------------|-----------------------------|---------------------------|---|----------------|-----------------------|------------|------------|-------------------------|
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Cost | | | | | | | | |
| At 31 March 2024 | 289.8 | 1.8 | 23.5 | 0.6 | 315.7 | 9.8 | 0.4 | 10.2 |
| Additions | 0.1 | - | 2.0 | 0.1 | 2.2 | 0.3 | - | 0.3 |
| Disposals | (4.4) | - | (0.4) | (0.1) | (4.9) | (0.3) | - | (0.3) |
| Reclassification | - | (0.4) | 0.3 | - | (0.1) | 0.1 | - | 0.1 |
| At 31 March 2025 | 285.5 | 1.4 | 25.4 | 0.6 | 312.9 | 9.9 | 0.4 | 10.3 |
| Accumulated depreciation | | | | | | | | |
| At 31 March 2024 | 105.6 | - | 15.4 | 0.6 | 121.6 | 9.3 | 0.2 | 9.5 |
| Charge for the year | 7.7 | - | 3.0 | - | 10.7 | 0.2 | 0.1 | 0.3 |
| Disposals | (4.4) | - | (0.4) | (0.1) | (4.9) | (0.3) | - | (0.3) |
| At 31 March 2025 | 108.9 | - | 18.0 | 0.5 | 127.4 | 9.2 | 0.3 | 9.5 |
| Net book value | | | | | | | | |
| At 31 March 2025 | 176.6 | 1.4 | 7.4 | 0.1 | 185.5 | 0.7 | 0.1 | 0.8 |
| At 31 March 2024 | 184.2 | 1.8 | 8.1 | - | 194.1 | 0.5 | 0.2 | 0.7 |

St Andrew's Healthcare

Notes to the Financial Statements

16. Investments

| Consolidated Group and Charitable Company | As at 31 March 2024 | | Purchases | Sales | Mvmt in cash balance | As at 31 March 2025 | |
|--|---------------------|--------------|-----------|-------|----------------------|---------------------|--------------|
| | Cost | Market value | | | | Cost | Market value |
| | £m | £m | £m | £m | £m | £m | £m |
| Stock market investments | 9.8 | 12.3 | 2.2 | (2.0) | 0.2 | 10.1 | 12.7 |
| Cliftonville House investment Property | 8.4 | 5.0 | - | - | - | 8.4 | 5.2 |
| Well Vale Estates investment property | - | 0.8 | - | - | - | - | 0.9 |
| Total | 18.2 | 18.1 | | | | 18.5 | 18.8 |
| Deficit of market value over cost | | (0.2) | | | | | 0.2 |
| Less: prior year deficit | | 0.9 | | | | | 0.2 |
| Unrealised gain / (loss) on revaluation of investments | | 0.7 | | | | | 0.4 |
| Realised gain on disposal of investments | | - | | | | | 0.1 |
| Net gain / (loss) on investments | | 0.7 | | | | | 0.5 |

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 43.4% UK equities with a market value of £5.5m (2024: 43.3%, £5.3m) and 56.6% other investments with a market value of £7.2m (2024: 56.7%, £7.0m). The Well Vale Estates comprise farming lands of approximately 40 acres. Cliftonville House comprises offices and premises, which are rented to a third party. The stock market investments may also be liquidated to fund non-recurring expenses in the year ahead and are therefore shown as current assets.

Stock market investments are managed by Evelyn Partners LLP and revalued using the latest available mid-market prices at the year end. Investment properties are revalued by Berry's Chartered Surveyors and Valuers with Well Vale Estates revalued using the market value of the land. Cliftonville House was revalued using a combination of future rental income and potential market value of the development of the site 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 £0.9m and £5.2m respectively were carried out as at 31 March 2025.

17. Debtors

| | Consolidated Group | | Charitable Company | |
|--------------------------------|--------------------|-------------|--------------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £m | £m | £m | £m |
| Trade debtors | 12.0 | 10.1 | 9.6 | 9.0 |
| Prepayments and accrued income | 4.3 | 4.3 | 4.1 | 4.1 |
| Other debtors | 0.6 | 0.1 | - | - |
| Total | 16.9 | 14.5 | 13.7 | 13.1 |

Included within trade debtors is a bad debt provision of £0.4m (2024: £0.4m). Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

St Andrew's Healthcare

Notes to the Financial Statements

18. Cash at Bank and in Hand

| | Consolidated Group | | Charitable Company | |
|--------------------|--------------------|-------------|--------------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £m | £m | £m | £m |
| Corporate cash | 27.1 | 19.2 | 25.2 | 14.8 |
| Service Users cash | 2.5 | 2.5 | 2.6 | 2.5 |
| Total | 29.6 | 21.7 | 27.8 | 17.3 |

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

19. Creditors

| | Consolidated Group | | Charitable Company | |
|--|--------------------|---------------|--------------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £m | £m | £m | £m |
| Bank loans | (1.0) | (1.0) | (1.0) | (1.0) |
| Trade creditors | (4.5) | (6.8) | (2.9) | (4.6) |
| Other creditors | (3.4) | (3.3) | (3.4) | (3.2) |
| Hire purchase and finance lease agreements | (0.4) | (0.5) | (0.4) | (0.5) |
| Taxation and social security | (3.3) | (3.0) | (3.3) | (3.0) |
| Accruals | (10.4) | (10.2) | (8.2) | (8.4) |
| Deferred Income | (10.3) | (5.2) | (10.3) | (5.2) |
| Creditors falling due within one year | (33.3) | (30.0) | (29.5) | (25.9) |
| Bank loans | (17.0) | (18.0) | (17.0) | (18.0) |
| Hire purchase and finance lease agreements | (0.2) | (0.6) | (0.2) | (0.6) |
| Creditors falling due after one year | (17.2) | (18.6) | (17.2) | (18.6) |

Included within Other Creditors are balances in respect of service users' monies of £2.5m (2024: £2.5m).

The bank loan balance was £18.0m at 31 March 2025. The agreement includes £3m term loan with annual amortisation, so the £1.0m due to be paid in September 2025 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 facilities of £25m comprising £22m Revolving Credit Facility and £3m Term Loan with Barclays Bank Plc and Virgin Money Plc. This not only provides for current working capital needs but also enables the Board to fulfil its strategic ambitions. At the year-end £18.0m (2024: £19.0m) was drawn down in relation to this facility. The facility as at 31 March 2025 was secured on a proportion of the Charity's land and building portfolio. The interest on this facility as at 31 March 2025 was charged at SONIA plus a margin of 1.50%.

The Charity entered into an interest rate swap from 30 June 2023 to 30 September 2025. This agreement swapped the floating SONIA rate to the fixed interest rate of 5.74% plus the 1.50% margin and was on £16.0m of the loan until 30 September 2024, when it decreased to £15.0m.

Amounts owed in respect of hire purchase and finance lease agreements are secured against the assets to which they relate.

St Andrew's Healthcare

Notes to the Financial Statements

19. Creditors (*continued*)

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

| | Consolidated Group | | Charitable company | |
|------------------|--------------------|--------------|--------------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £m | £m | £m | £m |
| Opening balance | (5.2) | (2.9) | (5.2) | (2.9) |
| Amounts deferred | (7.2) | (10.2) | (7.2) | (10.2) |
| Amounts released | 2.1 | 7.9 | 2.1 | 7.9 |
| Closing balance | (10.3) | (5.2) | (10.3) | (5.2) |

20. Commitments

At the year end, the company had annual commitments under non-cancellable hire purchase and finance leases:

Hire purchase and finance leases which expire:

| | Consolidated Group | | Charitable company | |
|--------------------------|--------------------|--------------|--------------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £m | £m | £m | £m |
| Within one year | (0.4) | (0.5) | (0.4) | (0.5) |
| Within two to five years | (0.2) | (0.6) | (0.2) | (0.6) |
| | (0.6) | (1.1) | (0.6) | (1.1) |

St Andrew's Healthcare

Notes to the Financial Statements

21. Funds of the Charity

Analysis of Company net assets between funds:

| | General fund | Designated fund | Restricted fund | Total |
|---------------------------------|--------------|-----------------|-----------------|--------------|
| | £m | £m | £m | £m |
| Intangible fixed assets | 0.8 | - | - | 0.8 |
| Tangible fixed assets | 185.5 | - | - | 185.5 |
| Investments | 18.8 | - | - | 18.8 |
| Cash at bank and in hand | 26.2 | 0.4 | 1.1 | 27.7 |
| Other net current liabilities | (14.9) | (0.4) | - | (15.3) |
| Creditors of more than one year | (17.2) | - | - | (17.2) |
| Pension scheme liabilities | (0.4) | - | - | (0.4) |
| Net assets | 198.8 | - | 1.1 | 199.9 |

| Funds | Unrestricted | Restricted | Total |
|---------------------------------|--------------|------------|--------------|
| | £m | £m | £m |
| Balance at 31 March 2024 | 197.0 | 1.1 | 198.1 |
| Income | 210.9 | 0.1 | 211.0 |
| Expenditure | (209.1) | (0.1) | (209.2) |
| Balance at 31 March 2025 | 198.8 | 1.1 | 199.9 |

Restricted funds:

| | Huntington's | Other | Total |
|-----------------------------------|--------------|------------|------------|
| | £m | £m | £m |
| Balance at 31 March 2024 | 1.0 | 0.1 | 1.1 |
| Statement of financial activities | - | - | - |
| Balance at 31 March 2025 | 1.0 | 0.1 | 1.1 |

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'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 £4.5m (2024: £4.6m). As at 31 March 2025 there was an accrual of £0.9m (2024: £0.8m) for these schemes.

St Andrew's Healthcare

Notes to the Financial Statements

22. Pensions (continued)

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

The latest full actuarial valuation was carried out as at 31 March 2022 by a qualified independent actuary. In the year 2024/25, the Charity paid £0.2m (2024: £0.2m) to meet the expenses of the scheme.

Ruling on amendment of Contracted out Salary Related pension schemes

In June 2023, a High Court judgement in the case of Virgin Medial vs NTL Pension Trustees II Limited provided a ruling related to Section 37 of the Pension Scheme Act 1993 and changes to scheme rules. In June 2025, the Government issued a press release announcing its intention to introduce legislation in response to the 'section 37' matters arising from the Virgin Media legal decision. The press release notes that the legislation will "give affected schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

Given the brief nature of the press release (and no follow-up comment from Government), the original uncertainty over the applicability of the ruling to the St Andrew's Healthcare Pension Scheme, and unknown impact if it were to be confirmed that amendments to the scheme are required, it is not possible at present to estimate the potential impact, if any, on the scheme.

| | At 31 March 2025 | At 31 March 2024 |
|---|---|---|
| Principal actuarial assumptions | | |
| Discount rate | 5.70% | 4.80% |
| Inflation (RPI) | 3.25% | 3.25% |
| Inflation (CPI) | 2.75% | 2.65% |
| Pension increase (RPI 5) | 3.15% | 3.10% |
| Pension increase (RPI 2.5) | 2.20% | 2.10% |
| Pension increase (CPI 3) | 2.25% | 2.15% |
| Post-retirement mortality | For males: 97% x S3PMA tables with CMI 2023 projections using a long-term improvement rate of 1.25% pa. The initial addition is 0.25% pa. For females: 102% x S3PFA tables. with CMI 2023 projections using a long-term improvement rate of 1.25% pa. The initial addition is 0.25% pa. | 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'. |
| 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 | 23.2 | 23.2 |
| Life expectancy at age 65 of male aged 65 | 21.9 | 21.9 |
| Life expectancy at age 65 of female aged 45 | 25.5 | 25.4 |
| Life expectancy at age 65 of female aged 65 | 24.1 | 24.0 |

St Andrew's Healthcare

Notes to the Financial Statements

22. Pensions (continued)

The current asset split is as follows:

| | Bid values as at 31 March 2025 £m | Bid values as at 31 March 2024 £m |
|---------------------|---|---|
| Fiduciary manager | 115.1 | 126.5 |
| Cash | 0.7 | 1.1 |
| Total assets | 115.8 | 127.6 |

Balance sheet

| | At 31 March 2025 £m | At 31 March 2024 £m |
|--|---------------------------|---------------------------|
| Fair value of assets | 115.8 | 127.6 |
| Present value of funded obligations | (113.9) | (128.3) |
| (Deficit) / surplus in the scheme | 1.9 | (0.7) |
| Effect of asset ceiling | (1.9) | - |
| Net defined benefit liability | - | (0.7) |

Amount recognised in Profit and Loss

| | Year to 31 March 2025 £m | Year to 31 March 2024 £m |
|--|--------------------------------|--------------------------------|
| Administration costs | 0.6 | 0.3 |
| Interest on liabilities | 6.0 | 6.0 |
| Interest on assets | (5.9) | (6.3) |
| Past service costs | 0.1 | 0.7 |
| Interest on effect of asset ceiling | - | 0.4 |
| Total charge to Profit and Loss | 0.8 | 1.1 |

Remeasurements over the period

| | Year to 31 March 2025 £m | Year to 31 March 2024 £m |
|---|--------------------------------|--------------------------------|
| Loss on assets in excess of interest | 8.8 | 7.9 |
| Experience losses on liabilities | (0.1) | 2.3 |
| Gains from changes to demographic assumptions | (0.2) | (1.4) |
| Gains from changes to financial assumptions | (11.8) | (1.1) |
| Gains from change in effect of asset ceiling | 1.9 | (7.9) |
| Total remeasurements | (1.4) | (0.2) |

Change in value of assets

| | Year to 31 March 2025 £m | Year to 31 March 2024 £m |
|------------------------------------|--------------------------------|--------------------------------|
| Fair value of assets at start | 127.6 | 136.5 |
| Interest on assets | 5.9 | 6.3 |
| Company contributions | 0.1 | 0.2 |
| Benefits paid | (8.4) | (7.2) |
| Administration costs | (0.6) | (0.3) |
| Return on assets less interest | (8.8) | (7.9) |
| Fair value of assets at end | 115.8 | 127.6 |
| Actual return on assets | (2.9) | (1.6) |

22. Pensions (continued)

St Andrew's Healthcare

Notes to the Financial Statements

| | Year to 31 March 2025 £m | Year to 31 March 2024 £m |
|--|---|---|
| Change in value of the DB liabilities | | |
| Value of liabilities at start | 128.3 | 129.0 |
| Past service costs | 0.1 | 0.7 |
| Interest on liabilities | 6.0 | 6.0 |
| Benefits paid | (8.4) | (7.2) |
| Experience loss on liabilities | (0.1) | 2.3 |
| Changes to demographic assumptions | (0.2) | (1.4) |
| Changes to financial assumptions | (11.8) | (1.1) |
| Value of liabilities at end | 113.9 | 128.3 |
| | | |
| Reconciliation of effect of asset ceiling | Year to 31 March 2025 £m | Year to 31 March 2024 £m |
| Effect of asset ceiling at start | - | 7.5 |
| Interest on effect of asset ceiling | - | 0.4 |
| Actuarial gains | 1.9 | (7.9) |
| Effect of asset ceiling at end | 1.9 | - |
| | | |
| Projected Profit & Loss account for next period | Year to 31 March 2025 £m | Year to 31 March 2024 £m |
| Administration costs | 0.6 | 0.3 |
| Interest on liabilities | 6.3 | 6.0 |
| Interest on assets | (6.4) | (5.9) |
| Past service costs | - | - |
| Interest on effect of asset ceiling | 0.1 | - |
| Total charge to Profit and Loss | 0.6 | 0.4 |

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 2025 was £0.4m (2024: £0.4m).

St Andrew's Healthcare

Notes to the Financial Statements

23. Financial Instruments

| | Consolidated Group | | Charitable Company | |
|---|--------------------|---------------|--------------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £m | £m | £m | £m |
| Financial assets at fair value | | | | |
| Stock market investments (note 16) | 12.7 | 12.3 | 12.7 | 12.3 |
| | 12.7 | 12.3 | 12.7 | 12.3 |
| Financial assets at amortised cost | | | | |
| Trade debtors (note 17) | 12.0 | 10.1 | 9.6 | 9.0 |
| Accrued income (note 17) | 2.1 | 2.2 | 2.0 | 2.3 |
| Other debtors (note 17) | 0.6 | 0.1 | - | - |
| Cash at bank and in hand (note 18) | 29.6 | 21.7 | 27.8 | 17.3 |
| | 44.3 | 34.1 | 39.4 | 28.6 |
| Financial liabilities measured at fair value | | | | |
| Derivative financial instruments | - | - | - | - |
| | - | - | - | - |
| Financial liabilities measured at amortised cost | | | | |
| Bank loans (note 19) | (18.0) | (19.0) | (18.0) | (19.0) |
| Trade creditors (note 19) | (4.5) | (6.8) | (2.9) | (4.6) |
| Other creditors (note 19) | (3.4) | (3.3) | (3.4) | (3.2) |
| Obligations under finance lease and hire purchase contracts (note 19) | (0.6) | (1.1) | (0.6) | (1.1) |
| Accruals (note 19) | (10.4) | (10.2) | (8.2) | (8.4) |
| | (36.9) | (40.4) | (33.1) | (36.3) |

St Andrew's Healthcare

Notes to the Financial Statements

24. Notes to the Cash Flow Statement

| | 2025 | 2024 |
|--|-------------|-------------|
| | £m | £m |
| Net income / (expenditure) after tax | 4.1 | 4.4 |
| Actuarial gains on pension schemes | 1.4 | 0.2 |
| | 5.5 | 4.6 |
| Adjustments for: | | |
| Depreciation of fixed assets (note 15) | 11.2 | 10.5 |
| Unrealised (gain) / loss on investments (note 16) | (0.4) | (0.7) |
| Dividends, interest and rents received (notes 5,6) | (1.9) | (1.4) |
| Decrease in stock | 0.1 | - |
| (Increase) / decrease in debtors (note 17) | (2.4) | (0.7) |
| Increase in creditors (note 19) | 1.9 | 3.4 |
| Other movements | 0.3 | (0.2) |
| Net cash from operating activities | 14.3 | 15.5 |

| Analysis of changes in net debt | At 31 March 2024 | Movement in year | At 31 March 2025 |
|---|---------------------|---------------------|------------------------|
| | £m | £m | £m |
| Cash at bank and in hand (note 18) | 21.7 | 7.9 | 29.6 |
| Bank loans (note 19) | (19.0) | 1.0 | (18.0) |
| Net cash | 2.7 | 8.9 | 11.6 |
| Obligations under finance lease and hire purchase contracts | (1.1) | 0.5 | (0.6) |
| Net debt | 1.6 | 9.4 | 11.0 |

25. Post Balance Sheet Events

In July 2025 the CQC closed the Northampton site to admissions following self-reported incidents of inadequate care to our patients. On the 22 October 2025 the CQC published an inspection report of the Northampton site which rated the services as 'inadequate'. The site remains closed to admissions whilst remedial and improvement plans are implemented to ensure such incidents do not occur again. Consequently, the Charity's finances have been negatively impacted with an extended period of reduced income. The expected impact of the restrictions in Northampton is a reduction in income of £13m. The admission restrictions and changes to market demand have meant the Charity has taken the decision to close some unsustainable services. To align the cost base with the projected income reduction, the Charity have commenced both voluntary and compulsory redundancy schemes in the period July to November 2025, along with further cost saving initiatives.

Three non-executive Trustees resigned after 31 March 2025, including the Chair Paul Burstow. The Charity have commenced the recruitment process for a new Chair.