

Company Registration Number: 1654807



NORTH LONDON HOSPICE

(a company limited by guarantee and not having a share capital)

Registered Charity Number: 285300

REPORT AND ACCOUNTS

31st March 2018

# NORTH LONDON HOSPICE

## REPORT AND ACCOUNTS - 31ST MARCH 2018

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NORTH LONDON HOSPICEBOARD OF TRUSTEES AND PROFESSIONAL ADVISERS

Registered Office: 47 Woodside Avenue  
London N12 8TF

Board of Trustees: Ms. E. B. Jones (Chairman - from 8th May 2018)  
Mr. J. P. B. Bryce CBE (Chairman - until 8th May 2018)  
Mr. G. S. Hill (Honorary Treasurer and Honorary Secretary)  
Mr. S. K. Bhaduri  
Mrs. J. R. Brown  
Rev L. Davidson (from 20th March 2018)  
Mrs. C. M Holmes  
Mr. S. Morris  
Mrs. L. A. Nash  
Mr. J. Reid (from 18th July 2017)  
Mr. M. Stearns (from 2nd May 2017 until 26th December 2017)  
Dr. J. A. Tobin  
Mr. G. W. Wilson

The Executive Team: Ms. P. A. McClinton (Chief Executive)  
Dr. C. H. Baxter (Medical Director - GMC no. 2549664)  
Ms. F. Deane (Director of Clinical Services)  
Mr. R. Langrishe (Director of Fundraising and Communications)  
Mr. N. Sooryakumaran (Commercial and Finance Director)  
Mr. M. Stogdon (Director of Patient and Family Support)

Company Secretary: Mr. G. S. Hill

External Auditor: Kingston Smith LLP  
Chartered Accountants and Statutory Auditor  
Orbital House  
20 Eastern Road  
Romford  
Essex RM1 3PJ

Bankers: Barclays Bank p.l.c.  
Barnet & Hampstead Business Banking  
P O Box 12820  
London N20 0WE

Investment Managers: Newton Investment Management Limited  
The Bank of New York Mellon Centre  
160 Queen Victoria Street  
London EC4V 4LA

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018**

The Board of Trustees of the North London Hospice ('The Hospice') presents its Annual Report for the year ended 31 March 2018 in accordance with the provisions of the Companies Act 2006 and the Charities Act 2011. The audited accounts for that year are also presented and comply with the Companies Act 2006, the Hospice's governing document and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### ***REFERENCE AND ADMINISTRATIVE DETAILS***

The Hospice is a registered charity (No 285300) and a company (No 1654807) limited by guarantee. Its registered office is as shown on page 1.

The present trustees, the names of the senior executive staff and the professional external advisors of the charity are also listed on page 1.

### ***OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE HOSPICE***

The Hospice's objects are:

- To relieve sickness and suffering and, in particular but without prejudice to the generality of the foregoing, by the establishment and maintenance of a Hospice in North London for persons suffering from chronic or terminal diseases.
- To relieve the suffering of the families and friends of patients of the North London Hospice and in particular, but without prejudice to the generality of the foregoing, by the provision of practical, bereavement and other emotional support and programmes for education and advice.

Our principal activities to achieve these objects are the provision of specialist palliative care in inpatient, day services and community settings. Education and training of healthcare professionals and partnerships with other organisations that share our objects also form an important part of our work. Our key aims achievements and performance against targets are discussed under the headings of "Our Key Aims" and "Achievements and Performance" within the Strategic Report on pages 8 to 16.

### ***STRUCTURE, GOVERNANCE AND MANAGEMENT***

The Hospice is governed by its Memorandum and Articles of Association adopted on 29 July 1982 and revised by Special Resolution at the Board Meeting held on 26 September 2017.

The Board of Trustees is responsible for the overall governance of the Hospice. Trustees are appointed by a resolution in a general meeting or by the other trustees and the total number of trustees must not exceed 15. The trustees are also the members of the charity and directors of the company. One third of the trustees must submit themselves for re-election by rotation at every Annual Retirement Meeting, trustees to retire by rotation shall be those who have been longest in office since their last appointment.



## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018 (Continued)**

Effective partnership between trustees and the Executive Team continues to contribute significantly to our success. To ensure the trustee roles and responsibilities are carried out effectively, trustees are appointed on the basis of an area of professional or personal expertise or experience that complements that of existing trustees. The Hospice has in place insurance policy cover to indemnify any trustee, director or officer against legal liability for damages, costs and expenses permitted by law to be granted to the trustee, director or officer as a result of a wrongful act. Consideration is also given to how a trustee being considered for co-option will contribute to ensuring the diversity of the composition of the Board.

The Board of Trustees meets 10 times a year and individual trustees are required to attend on at least 6 occasions. These meetings set policy, approve and review a medium-term strategic plan and agree operating plans and budgets, as well as monitoring operational and financial performance. In addition, the trustees hold an annual Away Day with the Executive Team where the broad direction and priorities for action for the following year are set. New trustees receive an induction pack containing information about the Hospice and their responsibility as trustees. They also participate in a tailor-made induction programme, designed to ensure an adequate understanding of the work of the Hospice.

### **Governance Arrangements**

As a result of its participation in the Help the Hospices Board Development Programme, the Board agreed to make a number of changes to the governance arrangements of the Hospice which came into effect in May 2013. Further refinement to declaration of conflict of interest, policy ratification process and recruitment process for Trustee appointments were agreed by the Board. The Board have also given consideration to the principles and recommended practice for good governance prescribed in the 2017 Updated Charity Governance Code in writing this report.

The main purpose of these changes was to develop the Board's role and capacity to monitor the progress and implementation of the overall direction of the Hospice as set out in the Strategic Plan. In order to assist the Board in fulfilling this role, three formal sub-committees were set up with the following areas of responsibility. Each sub-committee is chaired by a trustee and has at least two additional trustee members, the Chief Executive and appropriate directors.

#### The Quality, Safety and Risk sub-committee (formerly the Clinical Governance Committee)

The purpose of this sub-committee is to ensure that adequate systems are in place to maximise the quality of service and minimise organisational risk in relation to patients, carers, support services and non-clinical functions, the wider community and partner organisations. Its key functions are to:

- monitor the quality of clinical services by ensuring compliance with external compliance and regulations;
- monitor all risk management procedures approved by the Board, including the maintenance of risk registers, adverse incidents and infection control;
- review all complaints;
- review the annual Quality Account prior to approval by the Board; and
- consider all aspects of user feedback.

**TRUSTEES' ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2018 (Continued)**

The Finance sub-committee

The purpose of this sub-committee is to assist the Board in fulfilling its duty to ensure the continuing financial viability of the Hospice. Its key functions are to:

- review the annual budget prior to approval by the Board;
- review the annual report and accounts prior to approval by the Board; and
- oversee the investment portfolio of the Hospice.

The Board Development and Remuneration sub-committee

The purpose of this sub-committee is to assist and advise the Board in its duty to ensure that adequate and appropriate governance arrangements are in place. Its key functions are to:

- develop and review procedures for recruitment and appraisal of trustees;
- review composition of the Board to identify any skills gaps and recommend appropriate action;
- review the collective development of the Board, trustee induction and training and improve the overall governance of the Hospice; and
- make annual recommendations to the Board on the remuneration of the CEO and Executive team.

In addition, two expert groups covering fundraising and retail operations have been set up which report to the Executive team. These are chaired by the appropriate Director and have at least one trustee member with relevant experience.

The Hospice uses the services of a team from Compton Fundraising Consultants Limited to carry its fundraising activities. The team led by the Director of Fundraising and Communications, engaged exclusively in the work of the Hospice, reports to the Chief Executive; as part of the Executive Team provides regular updates and is in attendance at the meeting of Board of Trustees of the Hospice who have ultimate responsibility for setting the framework for compliance with best fundraising practice.

**Chief Executive and Senior Managers**

The Chief Executive is responsible for the day to day management of the charity's affairs and for implementing policies agreed by the Board of Trustees. The Chief Executive is assisted by a group of senior managers.

The pay of the Chief Executive and senior managers employed by the Hospice is reviewed annually and normally increased in accordance with pay increments awarded to all staff, benchmarked where appropriate with NHS Agenda for Change pay scales for clinical staff and NJC Local Government pay scales for social workers and a pay scale for administrative non-clinical staff. The Director of Fundraising and Communications is employed by Compton Fundraising Consultants Limited and his pay award is determined by his employer.

**Group Structure**

The Hospice has a wholly-owned subsidiary - North London Hospice (Trading) Limited (company no. 2268094). The subsidiary company traded in the year ended 31 March 2018 generating agency sales commission from selling goods under the gift-aid on donated goods scheme.



**TRUSTEES' ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2018 (Continued)**

**Statement of Trustees' Responsibilities and Corporate Governance**

The trustees are responsible for their annual report, and for the preparation of accounts for each financial year which give a true and fair view of the incoming resources and application of those resources during the year, and of the state of affairs as at the end of the financial year. In preparing these accounts, the trustees are required to:

- ensure that suitable accounting policies are established and applied consistently;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards and statement of recommended accounting practice have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the Hospice will continue in operation.

The trustees confirm that they have complied with the above requirements in preparing the accounts.

The trustees have overall responsibility for ensuring that the Hospice has appropriate systems and controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Hospice and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Hospice and for their proper application as required by charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the Hospice is operating efficiently and effectively;
- all assets are safeguarded against unauthorised use or disposition and are properly applied;
- proper records are maintained and financial information used within the Hospice, or for publication, is reliable;
- the Hospice complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- a strategic plan and annual budget approved by the Board of Trustees;
- regular consideration by the Board of Trustees of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of day-to-day management authority and segregation of duties;
- identification and management of risks.

**TRUSTEES' ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2018 (Continued)**

**Risk Management**

The ultimate responsibility for risk management lies with the Board of Trustees.

The trustees have an ongoing formal risk management process to assess business risks, and implement risk management strategies. This has involved identifying the types of risks the Hospice faces and prioritising them in terms of potential impact and likelihood of occurrence.

The major risks to which the North London Hospice is exposed, as identified by the trustees, have been reviewed and systems have been established to manage those risks.

**Reserves Policy**

In March 2015, the trustees reviewed the policy on reserves and decided to change the existing policy. The trustees recognised that general unrestricted reserves may fall below the 12 months operating expenditure level as a result of expanding our reach and the services the hospice offers to its' patients and their families, together with the investment in retail and fundraising activities to generate additional income, thereby increasing the hospice's baseline costs.

With increased revenue and maintaining a balanced budget the requirement of maintaining a reserve equivalent to 12 months expenditure may result in excess reserves. Accordingly the policy has been revised to a level that the trustees consider will be adequate. The policy is to maintain at all times unrestricted reserves at a minimum of 9 months of unrestricted operating expenditure, taking account of future forecasts. In the event of a forecast deficit, the hospice will through the three year plan, work towards financial balance in its normal operations and new project(s) should be time limited and if the project(s) is (are) to be adopted as on-going; it would be on the basis that financial balance would be maintained including the project(s).

On current level of expenditure, maintaining unrestricted general fund between £6.8 million and £9.1 million will ensure long-term financial stability and enable the hospice to withstand external events which may affect the level of income received. Planned investment from reserves as part of the three-year plan to expand our services and improve the infrastructure will result in the reduction of the current level of unrestricted general fund of £13.2 million and increase the baseline cost.

**Investment Policy**

The Memorandum and Articles of Association do not place any restrictions on the investment policy to be adopted. Subject to the Trustee Act 2000, the trustees have invested surplus funds, whilst ensuring easy access to meet the operating costs of the Hospice.

Specific investment powers are delegated to Newton Investment Management Limited under the following restrictions:

- No investment in tobacco stocks, unquoted shares, derivatives or unregulated collective investment schemes;
- Investments are consolidated in Newton Fund for Charities, effectively holding units in a highly diversified but readily accessible portfolio.



**TRUSTEES' ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2018 (Continued)**

The investment managers follow a distinct global thematic investment approach and conduct extensive proprietary research. The reserves are invested in funds which aim to maximise returns through capital growth and income, and the funds have averaged 8.5% annual return since inception.

***PUBLIC BENEFIT STATEMENT***

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The North London Hospice's objects comply directly with two of the Charities Act's descriptions of "charitable purpose":

- "the advancement of health" and
- "the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage".

The Hospice's charitable purpose is enshrined in the wording of the Hospice's objects as stated on page 2.

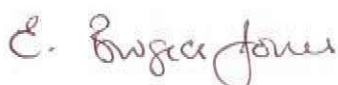
The trustees ensure that this purpose is carried out for the public benefit by delivering services that is valued by our patients, their families and friends and the community in general.

Hospice services are available to those most in need of the services in the London Boroughs of Barnet, Enfield and Haringey. The Hospice provides specialist palliative care in an inpatient, outpatient and therapies and community setting.

**Disclosure of Information to the Auditor**

So far as the trustees are aware, there is no relevant information of which the company's auditor is unaware. The trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Board of Trustees on 19 June 2018 and signed on its behalf by:



**ELISABETH B. JONES**  
Chairman



**GEOFFREY S. HILL**  
Company Secretary and  
Honorary Treasurer



## **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018**

The Board of Trustees of the North London Hospice ('The Hospice') presents its Strategic Report for the year ended 31 March 2018.

### ***OUR VISION***

Our Vision is that everyone living in our diverse community affected by a potentially life limiting illness has equal access to the services and support they need to optimise their quality of life.

We care about people with a potentially life limiting illness and aim to add quality and meaning to their life journey.

We do this by:

- Delivering specialist palliative care;
- Providing additional support and services to meet individual needs;
- Sharing our skills and experience to influence others providing care;
- Maximising and supporting community involvement.

We provide this care and support to people in their own homes, care homes or in the Hospice itself.

### ***OUR KEY AIMS***

As part of the Three-Year Plan, 2015-18, the overall aim for 2017/18 was working together to make a difference to palliative and end of life care in our communities by:

- Developing a culture that motivates and fosters team spirit and is responsive to change;
- Improving our ability to match income and expenditure;
- Working smarter to increase our reach whilst sustaining quality.

To achieve this we identified four strategic objectives:

- Develop, train and support staff and volunteers to respond to change;
- Develop collaborative working;
- Develop our business ensuring quality outcomes;
- Achieve financial viability.

Progress towards all of these has been made during the year.

### ***ACHIEVEMENTS AND PERFORMANCE***

#### **Developing a culture that motivates and fosters team spirit and is responsive to change**

To support the achievement of our aims in such a challenging environment it is vital we do all we can to ensure we have the necessary tools, skills and expertise required to develop our services by ensuring:

- A motivated workforce, positive about their experience of working in the Hospice;
- Clinical services are responsive to need; and
- Staff and volunteers speak, live and demonstrate the Hospice values and behaviours.

One of the highlights of last year was the Staff Conference in October. This showcased the work of various hospice departments, covering topics such as dementia, spiritual care, managing incontinence and the Hospice's retail business. Approximately 70 staff attended the day and it was evaluated very positively and was seen to motivate and encourage staff. A further conference is planned for April 2019.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2018 (Continued)**

We continued the work to build a culture of trust within the organization and the use of a common language based on behaviours that build trust and to help us with difficult issues. This was kept live through the Personal Development Review (PDR) process.

Staff were involved in the development of the set of values that are now incorporated into the PDR process and are part of recruitment and selection. Our values are:

Walk the talk;

- Trusting Relationships
- Adaptable
- Learning and development
- (K) Communication

The aim is to create one organisation by supporting the development of a learning culture and communicating the Mission Vision and Values of the Hospice.

Continued training through the Management Development Programme combined with open staff and volunteer forums and staff presentations has enabled communication about how the organisation is performing and embed volunteers in to services.

We have continued the opportunities for reflecting on the emotional impact of the work of the Hospice through directly employing Clinical Supervisors, available regularly to provide a flexible range of individual and small group sessions, as well as the Schwartz Round. This is a well-tested mechanism to bring all parts of the organisation together (Clinical and Non Clinical) on a monthly basis to witness the experience of delivering challenging services.

**Improving our ability to match income and expenditure**

The main strands identified to achieving this strategic aim are:

- Broadening the fundraising base and increasing fundraising income;
- Increasing income from retail operation;
- Increasing statutory income;
- Increasing volunteer numbers and the level of participation; and
- Controlling expenditure through increased departmental accountability.

Excluding legacies, the fundraising and donation income stream has proved more challenging to generate funds from the public with the continuing national debt, wages growth below the increasing cost of living and the negative press on charity activity.

This has been impacted further with the uncertainty of Brexit, predicted future interest rate rises and competition from other charities to attract the limiting funding available from the public. In addition, our core supporter base is ageing and their current fundraising activities are predicted to decline.



**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2018 (Continued)**

However, following a fundraising review undertaken in the autumn of 2017, it has been identified that there is still some potential growth within Trusts and Grant Making Foundations, Corporate Development and Major Donor to forecast a modest growth from fundraising & donations.

Within retail, for the first time we have seen competition from another hospice. While overall income from shops is up this year compared to last year, we have seen sales fall in a number of our shops. Exiting from the premises at Hendon; pressure on shop resources to counteract the effect of new entrant, another hospice which does not provide any service in Enfield opening a shop close to ours; the charity sector reporting fall in overall profits for two years running has reinforced our concerns that on some of our high streets the number of charity shops has reached saturation point.

Changing shopping habits has also led to a reduction in footfall in the shops as more purchases are made online. The increase in total sales in our shops compared with the previous year despite the difficulty in recruiting sufficient volunteers is due to commendable effort by the shop managers in producing a much improved performance in seven of our shops. Targeted resources and effort are showing early signs of improvement in the performances in four of our shops and since operating as a "Discount Shop" one shop has seen sales increase. However, one of our shops has been affected adversely and feeling the effect of the local council's decision to remove the parking bays and install a bicycle lane on the High Road.

Concerns about overall levels of statutory funding continue to exist in a period of reduction in public expenditure and reinforces the need to continue to develop our communications and campaigning to maintain awareness of the importance of our work by local decision makers.

Ways to fund increasing demand if not through investment from reserves would be through Trust funds and or partnerships. Our relationship with Macmillan Cancer Support has worked well through the Specialist Care at Home project and consideration will be given to further that relationship. The production of Sustainability and Transformation Plans (STP) has brought a sense of focus to End of Life (EoL) across the North Central London (NCL) footprint. This could impact the way EoL services are commissioned in the future, moving to a lead commissioner model across the 5 Boroughs, culminating in the sharing of data and transparency across services. The Hospice needs to be ready to respond to service changes and or opportunities, in particular projects supporting care homes and a Single Point of Access (SPA) for all palliative and EoL advice and referrals.

There has been considerable change in personnel within CCGs and achieving an increase in funding for rising costs on existing services is difficult, however in some areas funding can be achieved for new developments. Procurement of end of life services by way of tender could still take place, in particular the STP projects.

The Head of Education role was appointed in October with a remit to increase the department's capacity to generate income.

Expenditure incurred by the Hospice was monitored through review of comprehensive monthly finance reports by the Board. Quarterly detailed review was also undertaken by the Executive Team of actual expenditure against planned activity based on departmental budgets.

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018 (Continued)**

### **Working smarter to increase our reach whilst sustaining quality**

A key aim of the three-year plan is to improve productivity while increasing our reach and sustaining quality through:

- Implementing a recruitment and workforce strategy;
- User feedback;
- Increased collaboration and partnership; and
- Increased education and trained workforce able to adapt to changing situations and meet future demand.

Development of IT systems is driven by user needs and in particular convergence with NHS IT strategy. The need to share clinical records with other providers of care through increased use of Coordinate My Care, implementation of EMIS and the transition to Health and Social Care Network (HSCN) was a primary objective. Continually upgrading our hardware to improve mobile working and exploring and implementing the infrastructure required for reliable telemedicine could improve our reach through improving efficiency.

It is a challenge to retain and recruit staff as there is a lot of competition across London as well as a national shortage of nurses. We will be encouraging the development of apprenticeships in clinical and non-clinical roles and also exploring how we might skill mix our nursing teams more using assistant practitioner and associate nurse roles, in anticipation that recruitment to qualified nursing posts will remain difficult. It will be important for us to keep a competitive edge to salaries and continue to develop staff resilience and wellbeing through Clinical Supervision, Schwartz Rounds and incentive schemes.

The introduction of the Bradford tool to manage sickness has proved effective and we will be working towards 3.5% overall sickness absence rates over the next three years.

As the demand on our services increases and we look to develop capacity and an organizational response to change we need to ensure a clear understanding of our services amongst staff and a seamless transfer between services for patients and carers. Last year saw the integration of the Community Team and the Palliative Care Support Service. Further development is required to ensure the service can support patients rapidly discharged from hospital. The two year board investment from reserves for the Haringey Palliative Care Support Service (PCSS) completed this year. Discussions are taking place with commissioners for ongoing funding.

Education and development of our own staff and other external professionals will continue to be central to our delivery as will our partnership with Barnet and Southgate College which has led to accreditation of courses.

Management development will continue to take a focus through the next three years and we will continue to develop skills and behaviours in 'Leading at the Speed of Trust'.

We have hosted a number of students from various places over the last year and we will continue to offer this as well as placements to student nurses from the University of Hertfordshire. We have been in consultation with the University about starting placements for student physiotherapists.



**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2018 (Continued)**

Two hospice staff have now attended the 'train the trainers' course for Advanced Communication Skills training with a view to running training next year. We are currently running the training in conjunction with the Royal Free Hospital.

We have continued to run the Dementia Friends Information session both for staff and volunteers and people in our local community. During the year 34 people from these 'external' sessions have become Dementia Friends.

Next year will see the context for the delivery of outpatients and therapy change to a Health and Wellbeing model. This service has also benefitted from previous Board investment from reserves.

Referrals to Health and Wellbeing have increased during the last three years and with the appointments into the new posts completed by March 2017 we have been able to establish a range of group work using a co-production model. We have increased our wellbeing and companionship activities such as come and connect, a photography group and several peer support groups alongside establishing rehabilitation and self-management programmes. We have developed a Carers Skills course, Carer support group and a relaxation group specifically for carers alongside one to one support.

Continued quality improvement through audit and monitoring of our services to ensure compliance with CQC standards, End of Life Standards and Peer Review were progressed by wider departmental participation in audits, completion of action plans and evidence for Peer Review. There will be further changes to the way that the Care Quality Commission (CQC) inspect hospices, moving from a social to health framework.

Robust management of risk, complaints and incidents was enhanced through completion of appropriate documentation and incorporated within all managers' objectives.

Personalised care planning, internal and external training, co-ordinated data collection, periodic reporting and real-time user feedback were progressed during the year.



**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2018 (Continued)**

***FINANCIAL REVIEW OF THE YEAR***

Total incoming resources were £12.38 million in the year ended 31 March 2018, compared with £8.31 million in the year ended 31 March 2017. Total donations and fundraising were 16.0% higher at £1.94 million. Within this total, unrestricted donations of £1.90 million increased by 21.7%. Restricted donations were £46K in 2018, £70K lower than the previous year.

Legacy income of £4.19 million in 2018 was £3.27 million (356%) higher than the previous year. Legacy receipts fluctuate from year to year and are unpredictable.

Investment income was 5.9% lower at £253K and overall, including losses in the value of the Hospice's portfolio of investments of £62K, represents a return of 1.8% (2017: 17%).

Other trading activities reflect the Charity shops operations, made up of Charity shops sales of £2.04 million (2017: £1.81 million), Donations of agency sales and Gift Aid of £695K (2017: £587K) and Rental income of £9K (2017: £7K). However, at year ended 31 March 2018, there were (£76K) less agency sales (2017: £158K higher) pending conversion to donations. Adjusting for this timing difference income from the Charity shops operations total £2.66 million (2017: £2.56 million), an increase by 4.2% on previous year.

Core NHS grant income increased by £203K. Restricted grants of £354K were received towards the direct cost of providing Palliative Care Support Service; £500K towards the cost of operating the Haringey Community Team and £152K Macmillan funded project enabled the Hospice to deliver specialist care at home. The unrestricted core grant income increased by 5.7% to £2.22 million for the year ended 31 March 2018.

Total resources expended were £10.16 million, compared with £9.98 million in the previous year. The net increase in expenditure reflects the general cost of inflation and staff pay settlement.

Net incoming resources including investment losses amounted to £2.16 million, compared with net outgoing resources of £192K in the previous year. This represents an increase of £2.35 million compared with the previous year. The net income was £2.15 million on unrestricted funds (i.e. ongoing operations) in the current year compared with a deficit of £490K in the prior year. Budgeted deficit in the year ended 31 March 2019 and forecast deficits in the following two years again reinforces the need for caution about the Hospice's financial position into the medium term.

World stock markets finished the year lower than at the start of the year, our investments reflecting this, ended the year with a net loss of £62K.

A decrease in the London Pensions Fund Authority actuarial valuation deficit has resulted in the write-back of £110K in the current year.

Including the investment losses and actuarial gains, there was a net increase by £2.27 million in total funds on the balance sheet and unrestricted general funds increased by £2.48 million.

During the year the Hospice utilised the help of over 750 volunteers across all services. The value of this work is difficult to quantify but is crucial to continuing the work of the Hospice at its current level.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2018 (Continued)**

***OPERATIONAL OBJECTIVES – 2017/18***

A number of specific operational objectives were agreed for 2017/2018:

**All Services**

Objective: Aim to care for 2,495 patients during the year.

Counting once, there were 2,429 patients cared for in total by one or more of our services during the year. The number is significantly more when patient admissions to each of the services is counted separately.

**Inpatient Unit**

Objective: Aim to care for 360 patient admissions and maintain 80% occupancy.

We cared for 308 patients with 313 admissions during the year. The number of admissions is lower than last year and below the target of 360 due to a higher length of stay. Occupancy of 5,066 bed days representing 78% of available capacity.

**Community Teams**

Objectives: Aim to care for 1,525 new patients; 9,100 face to face contacts and 64% of patients to be able to die at home.

The Community Teams cared for 2,145 patients of which 1,359 were new patients, in their homes with 8,525 face to face contacts. Of the Community Team patients 61% were able to die in their own homes, an increase from 56% last year. Hospital deaths have reduced from 21% last year to 19%.

**Outpatient and Therapies Services**

Objective: Aim to care for 265 new patients and achieve 1,700 attendances.

We saw 243 new patients in Outpatients and Therapies with 1,458 group activity attendances and 386 group sessions. We supported patients in our Therapies Services with 2,873 one to one appointments including 140 sessions with the Consultant, 759 nurse sessions, 1,022 complimentary therapy sessions, 183 psychological sessions, 160 art therapy sessions and 395 occupational and physiotherapy sessions.

**Palliative Care Support Service**

Objective: Aim to care for 400 patients and provide 22,840 hours of care.

Palliative Care Support Service (PCSS) provided care to 485 patients totalling 13,253 hours of direct care to patients in their own homes, falling short of our ambitious target but both patient numbers and hours of care have increased from previous year.



**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2018 (Continued)**

***POSITION OF THE CHARITY AT THE END OF THE YEAR***

The unrestricted general fund at the year-end represented some 17.6 months of unrestricted expenditure and complies with the trustees' revised reserves policy of holding at least 9 months of unrestricted expenditure.

***OPERATIONAL OBJECTIVES - 2018/19***

The following, specific operational objectives were agreed for 2018/19:

**All Services**

Objective: We expect to care for about 2,495 patients during the year.

**Inpatient Unit**

Objective: Aim for 360 patient admissions and 80% occupancy.

**Community Teams**

Objectives: Aim to care for 1,525 new patients; 9,100 face to face contacts.  
Aim to achieve a 64% home death rate.

**Health & Wellbeing Services**

Objective: Aim to care for 240 new patients and achieve 1,440 group attendances.

**Palliative Care Support Service**

Objective: Aim to care for 400 patients and provide 22,840 hours of care.

***PRINCIPAL RISKS AND UNCERTAINTIES***

There is still ongoing uncertainty about levels of future NHS funding for hospices and the possible effects of more competition within the NHS for the provision of end of life care.

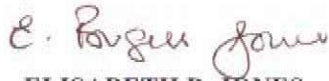
The Hospice has recently taken steps to improve voluntary donations and fundraising income. The current economic climate, increased competition for the same resources and changes in fundraising regulations has meant that the external trend of donations is downwards and raising voluntary income will be hard for many years to come. Availability of sufficient able bodied volunteers and increased competition from other charity shops is also likely to impact charity shops performance and decline in results from some individual shops raise some concerns in relation to the possibility of increasing income from this source in the medium term.

Internal and external drivers which affect Hospice staffing levels increase the risk from staff sickness and increased staff turnover resulting in higher costs and a failure to achieve a level of care expected by service users and Commissioners.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2018 (Continued)**

The general uncertainty about funding streams with increased reliance on legacy income which is unpredictable and the planned investment from reserves to improve the infrastructure and the upward trend in our baseline cost may result in unrestricted general fund falling. While reductions in services would be avoided if at all possible, increases in income levels remain crucial to the ongoing operation and development of the Hospice.

Approved by the Board of Trustees on 19 June 2018 and signed on its behalf by:

  
**ELISABETH B. JONES**  
Chairman

  
**GEOFFREY S. HILL**  
Company Secretary and  
Honorary Treasurer

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH LONDON HOSPICE

### Opinion

We have audited the accounts of North London Hospice (the 'parent charitable company') and its subsidiary company (the 'group') for the year ended 31st March 2018 which comprise the consolidated statement of financial activities, including the consolidated income and expenditure account, the balance sheets, the statements of cash flow and the related notes, 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 accounts:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31st March 2018, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the accounts and our auditor's report thereon. Our opinion on the accounts 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.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Continued.....



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH LONDON HOSPICE  
(Continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report and the strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 2 to 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the group's and 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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

Use of our report

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

Karen Wardell (Senior Statutory Auditor)  
 for and on behalf of  
 Kingston Smith LLP Chartered Accountants  
 Statutory Auditor

Orbital House  
 20 Eastern Road  
 Romford  
 Essex RM1 3PJ

17 July 2018

## NORTH LONDON HOSPICE

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES,  
INCLUDING THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**

<u>FOR THE YEAR ENDED:</u>		<u>31ST MARCH 2018</u>				<u>2017</u>
		<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Endowment funds</u>	<u>Total funds</u>	<u>Total funds</u>
<b>Income:</b>						
Donations and fundraising		1,895,768	45,820	-	1,941,588	1,673,700
Legacies		4,185,998	-	-	4,185,998	917,658
Charitable activities						
Grants	4	2,222,942	1,005,877	-	3,228,819	3,026,225
Other trading activities						
Charity shops sales		2,037,771	-	-	2,037,771	1,807,321
Donated agency sales		695,290	-	-	695,290	586,725
Rental income		9,382	-	-	9,382	7,037
Investment income	5	186,401	-	67,110	253,511	269,280
Other		30,876	-	-	30,876	27,408
<b>Total income</b>		<b>11,264,428</b>	<b>1,051,697</b>	<b>67,110</b>	<b>12,383,235</b>	<b>8,315,354</b>
<b>Expenditure:</b>						
Raising funds						
Fundraising and promotion	6	764,643	-	-	764,643	709,169
Charity shops expenditure	7	1,822,487	-	-	1,822,487	1,843,796
Investment manager's fees		30,925	-	-	30,925	44,983
Charitable activities						
Cost of operation of hospice	8	6,389,562	1,043,201	67,110	7,499,873	7,340,075
Other						
Interest on loan from The Governors of the Peabody Donation Fund		44,160	-	-	44,160	40,236
<b>Total expenditure</b>		<b>9,051,777</b>	<b>1,043,201</b>	<b>67,110</b>	<b>10,162,088</b>	<b>9,978,259</b>
<b>Net (losses)/gains on investments</b>	<b>12</b>	<b>(61,958)</b>	<b>-</b>	<b>221</b>	<b>(61,737)</b>	<b>1,471,170</b>
<b>Net income/(expenditure) before transfers</b>		<b>2,150,693</b>	<b>8,496</b>	<b>221</b>	<b>2,159,410</b>	<b>(191,735)</b>
<b>Transfers between funds</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income/(expenditure) after transfers</b>		<b>2,150,693</b>	<b>8,496</b>	<b>221</b>	<b>2,159,410</b>	<b>(191,735)</b>
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension scheme	16	110,000	-	-	110,000	(26,000)
<b>Net movement in funds</b>		<b>2,260,693</b>	<b>8,496</b>	<b>221</b>	<b>2,269,410</b>	<b>(217,735)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward, 1st April 2017		17,697,899	6,526	2,426,613	20,131,038	20,348,773
Total funds carried forward, 31st March 2018	£	19,958,592	15,022	2,426,834	22,400,448	20,131,038

All incoming resources and resources expended derive from continuing activities.

The consolidated statement of financial activities includes all gains and losses recognised in the year.

The detailed comparative information for the statement of financial activities is included at note 23.

The attached notes form part of these accounts.



## NORTH LONDON HOSPICE

BALANCE SHEETS

		31ST MARCH			
		Group		Company	
	Note	2018	2017	2018	2017
Fixed assets:					
Tangible assets	11	8,076,539	8,249,626	8,076,539	8,249,626
Investments	12	10,557,623	11,868,381	10,562,623	11,873,381
Total fixed assets		18,634,162	20,118,007	18,639,162	20,123,007
Current assets:					
Debtors	13	4,224,706	1,406,120	4,224,706	1,406,120
Cash on deposit		1,866,351	1,056,859	1,864,988	1,055,467
Cash on current account and in hand		199,153	219,353	199,053	219,253
Total current assets		6,290,210	2,682,332	6,288,747	2,680,840
Liabilities:					
Creditors: amounts falling due within one year	14	656,370	735,907	659,907	739,415
Net current assets		5,633,840	1,946,425	5,628,840	1,941,425
Total assets less current liabilities		24,268,002	22,064,432	24,268,002	22,064,432
Creditors: amounts falling due after more than one year	15	1,365,554	1,321,394	1,365,554	1,321,394
Net assets excluding pension liability		22,902,448	20,743,038	22,902,448	20,743,038
Defined benefit pension scheme liability	16	502,000	612,000	502,000	612,000
Total net assets	£	22,400,448	20,131,038	22,400,448	20,131,038
The funds of the charity:					
Endowment funds	17	2,426,834	2,426,613	2,426,834	2,426,613
Restricted income funds	18	15,022	6,526	15,022	6,526
Unrestricted funds					
Designated fund	19	6,710,985	6,928,232	6,710,985	6,928,232
General fund		13,247,607	10,769,667	13,247,607	10,769,667
Total charity funds	£	22,400,448	20,131,038	22,400,448	20,131,038

Approved for issue by the Board of Trustees on 19 June 2018 and signed on its behalf by:-

  
ELISABETH B. JONES (Chairman)

  
GEOFFREY S. HILL (Honorary Treasurer)

The attached notes form part of these accounts.

Company Registration Number: 1654807

## NORTH LONDON HOSPICE

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED:	31ST MARCH			
	Group		Company	
	2018	2017	2018	2017
Net cash (used in)/provided by operating activities	(561,391)	86,355	(561,361)	86,386
Cash flows from investing activities				
Investment income				
Income from UK listed investments	250,979	267,837	250,979	267,837
Interest receivable	2,532	1,443	2,531	1,442
Purchases of tangible fixed assets	(151,849)	(260,949)	(151,849)	(260,949)
Purchases of fixed asset investments	(250,979)	(267,621)	(250,979)	(267,621)
Receipts from disposals of fixed asset investments	1,500,000	-	1,500,000	-
Cash provided by/(used in) investing activities	1,350,683	(259,290)	1,350,682	(259,291)
Increase/(decrease) in cash and cash equivalents in the year	789,292	(172,935)	789,321	(172,905)
Cash and cash equivalents at the beginning of the year	1,276,212	1,449,147	1,274,720	1,447,625
Cash and cash equivalents at the end of the year	£ 2,065,504	1,276,212	2,064,041	1,274,720
<u>Reconciliation of net movement in funds to net cash flow from operating activities</u>				
Net movement in funds	2,269,410	(217,735)	2,269,410	(217,735)
Investment income				
Income from UK listed investments	(250,979)	(267,837)	(250,979)	(267,837)
Interest receivable	(2,532)	(1,443)	(2,531)	(1,442)
Depreciation	324,936	382,507	324,936	382,507
Interest payable	44,160	40,236	44,160	40,236
Net losses/(gains) on investments	61,737	(1,471,170)	61,737	(1,471,170)
Actuarial (gains)/losses on defined benefit pension scheme	(110,000)	26,000	(110,000)	26,000
(Increase)/decrease in debtors	(2,818,586)	1,427,393	(2,818,586)	1,427,393
(Decrease)/increase in creditors	(79,537)	168,404	(79,508)	168,434
Net cash (used in)/provided by operating activities	£ (561,391)	86,355	(561,361)	86,386
<u>Analysis of cash and cash equivalents</u>				
Bank deposit accounts (less than three months)	1,866,351	1,056,859	1,864,988	1,055,467
Bank current accounts	197,348	217,076	197,248	216,976
Cash in hand	1,805	2,277	1,805	2,277
Total	£ 2,065,504	1,276,212	2,064,041	1,274,720



## NORTH LONDON HOSPICE

### ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2018

#### Company information

North London Hospice is a company limited by guarantee incorporated in England and Wales. The registered office is 47 Woodside Avenue, London, N12 8TF.

#### a) Basis of preparation of accounts and assessment of going concern

The accounts have been prepared under the historical cost convention with the exception of investments which are included at their market value. The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Companies Act 2006 and Charities Act 2011.

The accounts are prepared in sterling, which is the functional currency of the company.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

North London Hospice meets the definition of a public benefit entity under FRS 102.

#### b) Group accounts

The accounts consolidate the results of the charity and its wholly owned subsidiary company, North London Hospice (Trading) Limited, on a line-by-line basis. A separate statement of financial activities and income and expenditure account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

#### c) Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the accounts.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

Endowment funds are capital funds that must be retained for the benefit of the charity. The use of income arising from these capital sums may be subject to restrictions.

Investment income, gains and losses are allocated to the appropriate fund.

#### d) Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

Donations are accounted for when received by the charity. Tax reclaimed in respect of Gift Aid is accounted for on an accruals basis. Tangible assets donated are included in the accounts at their market value. Goods donated to fundraising shops are included in the accounts when sold. The charity also receives the benefit of work carried out by volunteers, the value of which cannot be quantified.

Grant and service level agreement income is recognised in the period to which the income relates.

Income from investments has been taken into the accounts when receivable. Interest receivable has been accounted for on an accruals basis.



NORTH LONDON HOSPICE

ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2018 (Continued)

c) Expenditure and irrecoverable value added tax

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

All expenditure is accounted for on an accruals basis. Staff and other costs are allocated directly to the activity for which they are incurred. Costs of raising funds comprises the costs associated with attracting voluntary income and the costs of operating the charity's shops.

Charitable activities expenditure comprises those costs incurred in the delivery of hospice services. It includes both costs that can be directly allocated and those of an indirect nature necessary to support them including governance costs.

Not all value added tax is recoverable. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

f) Capitalisation and depreciation

The trustees have adopted the policy that small items of expenditure, being those less than £500, of a capital nature are not capitalised but are included in resources expended.

Freehold land is not depreciated. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2% straight-line
Furniture, fixtures, fittings and medical equipment	-	20% straight-line
Motor vehicles	-	25% straight-line
Refurbishment	-	10% straight-line

g) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

h) Stocks

Stocks of donated goods to fundraising shops are not reflected in the accounts because the trustees consider it is impracticable to be able to assess the amount of donated goods until sale as there are no systems in place which record these items until they are sold and undertaking a stock take would incur undue cost for the charity which far outweighs the benefits.

i) Debtors

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

j) Cash at bank and in hand

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

NORTH LONDON HOSPICEACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2018 (Continued)k) Creditors and provisions

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

l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

m) Pensions

The charity contributes to defined benefit and defined contribution schemes on behalf of its employees.

The assets of the defined benefit schemes are held separately from those of the Hospice by the National Health Service Superannuation Scheme and the Local Government Pension Scheme.

The assets of the National Health Service Superannuation Scheme cannot be identified on a consistent and reasonable basis. Contributions to the scheme are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the charity. The contributions are determined by qualified actuaries on the basis of periodic valuations.

Local Government Pension Scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately on the face of the balance sheet.

The amounts included in expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested, that is, where entitlement to benefits has become unconditional. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised.

Defined contribution scheme pension costs charged in the accounts represent the amounts payable to the scheme in respect of the year. Where employees' wages and salaries are allocated to unrestricted or restricted funds, the pension costs relating to those employees, and any associated liabilities, are allocated to the same funds.

n) Operating leases

Rental costs under operating leases are charged in the accounts in equal annual instalments over the period of the leases.



## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2018

1. Legal status

North London Hospice is a company limited by guarantee and has no share capital. It is registered in England and Wales. The members of the company are the trustees named on page 1, of which there were 12 at 31st March 2018 (2017 - 11 members). In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

*Key sources of estimation uncertainty*

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the tangible fixed assets and accounting policy f) for the useful economic lives for each class of asset.

3. Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary, North London Hospice (Trading) Limited, a company registered in England and Wales, company number 2268094, whose principal activity during the year was the selling of goods on behalf of the public for commission, following which the owners are invited to make a donation to North London Hospice.

The summary financial performance of the charity alone is:

	2018	2017
Income	12,387,586	8,322,149
Expenditure	(10,166,439)	(9,985,054)
	2,221,147	(1,662,905)
Net (losses)/gains on investments	(61,737)	1,471,170
Net income	2,159,410	(191,735)
Actuarial gains/(losses) on defined benefit pension scheme	110,000	(26,000)
Net movement in funds	2,269,410	(217,735)
Total funds brought forward	20,131,038	20,348,773
Total funds carried forward	£ 22,400,448	20,131,038
Represented by:		
Endowment funds	2,426,834	2,426,613
Restricted income funds	15,022	6,526
Unrestricted funds		
Designated fund	6,710,985	6,928,232
General fund	13,247,607	10,769,667
	£ 22,400,448	20,131,038

## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2018 (Continued)

	Unrestricted funds	Restricted funds	Endowment funds	Total
4. <u>Grants</u>				
<i>Year ended 31st March 2018</i>				
<u>Group and company</u>				
Barnet Clinical Commissioning Group	1,010,004	200,000	-	1,210,004
Enfield Clinical Commissioning Group	1,052,382	154,500	-	1,206,882
Haringey Clinical Commissioning Group	98,112	-	-	98,112
NHS Partial Offset of Pensions Costs	62,444	-	-	62,444
North Middlesex Hospital NHS Trust	-	499,850	-	499,850
Macmillan Cancer Care	-	151,527	-	151,527
	<u>£ 2,222,942</u>	<u>1,005,877</u>	<u>-</u>	<u>3,228,819</u>
<i>Year ended 31st March 2017</i>				
<u>Group and company</u>				
Barnet Clinical Commissioning Group	1,019,342	99,527	-	1,118,869
Enfield Clinical Commissioning Group	928,000	150,000	-	1,078,000
Haringey Clinical Commissioning Group	96,000	-	-	96,000
NHS Partial Offset of Pensions Costs	60,625	-	-	60,625
North Middlesex Hospital NHS Trust	-	431,781	-	431,781
Macmillan Cancer Care	-	240,950	-	240,950
	<u>£ 2,103,967</u>	<u>922,258</u>	<u>-</u>	<u>3,026,225</u>
5. <u>Investment income</u>				
<i>Year ended 31st March 2018</i>				
<u>Group</u>				
Income from UK listed investments	183,953	-	67,026	250,979
Interest receivable	2,448	-	84	2,532
	<u>£ 186,401</u>	<u>-</u>	<u>67,110</u>	<u>253,511</u>
Of the total above, £253,510 relates to the company.				
<i>Year ended 31st March 2017</i>				
<u>Group</u>				
Income from UK listed investments	200,261	-	67,576	267,837
Interest receivable	1,359	-	84	1,443
	<u>£ 201,620</u>	<u>-</u>	<u>67,660</u>	<u>269,280</u>
Of the total above, £269,279 relates to the company.				



## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2018 (Continued)

	Unrestricted funds	Restricted funds	Endowment funds	Total
6. <u>Fundraising and promotion</u>				
<i>Year ended 31st March 2018</i>				
<u>Group and company</u>				
Staff costs	584,838	-	-	584,838
Other costs	179,806	-	-	179,806
	<hr/>	<hr/>	<hr/>	<hr/>
£ 764,643	-	-	-	764,643
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Year ended 31st March 2017</i>				
<u>Group and company</u>				
Staff costs	552,294	-	-	552,294
Other costs	156,875	-	-	156,875
	<hr/>	<hr/>	<hr/>	<hr/>
£ 709,169	-	-	-	709,169
	<hr/>	<hr/>	<hr/>	<hr/>
7. <u>Charity shops expenditure</u>				
<i>Year ended 31st March 2018</i>				
<u>Group</u>				
Staff costs	1,043,112	-	-	1,043,112
Other costs	243,207	-	-	243,207
Rents paid under operating leases	481,381	-	-	481,381
Rates and water	50,875	-	-	50,875
Depreciation	3,912	-	-	3,912
	<hr/>	<hr/>	<hr/>	<hr/>
1,822,487	-	-	-	1,822,487
<u>Company</u>				
Other costs	5,058	-	-	5,058
	<hr/>	<hr/>	<hr/>	<hr/>
£ 1,827,545	-	-	-	1,827,545
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Year ended 31st March 2017</i>				
<u>Group</u>				
Staff costs	1,042,647	-	-	1,042,647
Other costs	267,662	-	-	267,662
Rents paid under operating leases	483,827	-	-	483,827
Rates and water	45,748	-	-	45,748
Depreciation	3,912	-	-	3,912
	<hr/>	<hr/>	<hr/>	<hr/>
1,843,796	-	-	-	1,843,796
<u>Company</u>				
Other costs	7,757	-	-	7,757
	<hr/>	<hr/>	<hr/>	<hr/>
£ 1,851,553	-	-	-	1,851,553
	<hr/>	<hr/>	<hr/>	<hr/>

## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2018 (Continued)

	Unrestricted funds	Restricted funds	Endowment funds	Total
8. <u>Cost of operation of hospice</u>				
<i>Year ended 31st March 2018</i>				
<u>Group</u>				
Direct costs				
Hospice staff costs	4,230,947	979,856	67,110	5,277,913
Catering and cleaning services	86,355	1,308	-	87,663
Other medical costs	141,820	14,680	-	156,500
Support costs				
Support staff costs	823,155	15,191	-	838,346
Premises costs	309,081	5,317	-	314,398
Other costs	461,699	25,374	-	487,073
Depreciation	321,024	-	-	321,024
Governance costs (see Note 9)	16,956	-	-	16,956
	<u>£ 6,391,037</u>	<u>1,041,726</u>	<u>67,110</u>	<u>7,499,873</u>

Of the total above £7,499,166 relates to the company.

*Year ended 31st March 2017*

<u>Group</u>				
Direct costs				
Hospice staff costs	3,921,485	960,683	67,660	4,949,828
Catering and cleaning services	85,509	1,191	-	86,700
Other medical costs	164,122	12,012	-	176,134
Support costs				
Support staff costs	906,343	13,394	-	919,737
Premises costs	315,523	2,779	-	318,302
Other costs	473,371	19,467	-	492,838
Depreciation	378,245	-	-	378,245
Governance costs (see Note 9)	18,291	-	-	18,291
	<u>£ 6,262,889</u>	<u>1,009,526</u>	<u>67,660</u>	<u>7,340,075</u>

Of the total above, £7,339,113 relates to the company.

Support costs including governance costs incurred relating to fundraising and promotion and charity shops are immaterial. Consequently all support costs are included in the cost of operation of hospice.



## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2018 (Continued)

	Unrestricted funds	Restricted funds	Endowment funds	Total
9. <u>Governance costs</u>				
<i>Year ended 31st March 2018</i>				
<u>Group and company</u>				
Auditors' remuneration	10,000	-	-	10,000
Accountancy fees	6,956	-	-	6,956
	<hr/>	<hr/>	<hr/>	<hr/>
£	16,956	-	-	16,956
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Year ended 31st March 2017</i>				
<u>Group and company</u>				
Auditors' remuneration	10,000	-	-	10,000
Accountancy fees	8,291	-	-	8,291
	<hr/>	<hr/>	<hr/>	<hr/>
£	18,291	-	-	18,291
	<hr/>	<hr/>	<hr/>	<hr/>

10. Staff costs, trustee remuneration and expenses and the cost of key management personnel

	2018	2017
<u>Group and company</u>		
Wages and salaries	6,860,670	6,598,258
Social security costs	563,506	542,572
Pension costs	320,033	323,676
	<hr/>	<hr/>
£	7,744,209	7,464,506
	<hr/>	<hr/>

The charity operates both defined benefit and defined contribution schemes for its employees, the pension charge for the year is shown above. At the balance sheet date £36,142 (2017 - £44,982) was accrued for pension costs.

Analysis by function:

Hospice services	5,277,913	4,949,828
Fundraising and promotion	584,838	552,295
Shops	1,043,112	1,042,646
Support	838,346	919,737
	<hr/>	<hr/>
£	7,744,209	7,464,506
	<hr/>	<hr/>

The number of higher paid employees was:

	2018 Number	2017 Number
£60,000 to £70,000	3	2
£70,000 to £80,000	1	-
£90,000 to £100,000	-	1
£100,000 to £110,000	1	-
£110,000 to £120,000	1	1
	<hr/>	<hr/>

NORTH LONDON HOSPICENOTES TO THE ACCOUNTS - 31ST MARCH 2018 (Continued)10. Staff costs, trustee remuneration and expenses and the cost of key management personnel (continued)

Contributions were made to a defined benefit scheme for three (2017 - two) higher paid employees and to a defined contribution scheme for three (2017 - two) higher paid employees. Total contributions in the year amounted to £33,863 (2017 - £29,775).

No trustees have received any remuneration in respect of their services or had any expenses reimbursed (2017 - the same).

The average number of employees, analysed by function, was:

	<u>2018</u>	<u>2017</u>
	<u>Number</u>	<u>Number</u>
Hospice services	102	98
Fundraising and promotion	11	11
Shops	40	41
Support	21	24
	<u>174</u>	<u>174</u>

The staff costs and numbers of employees do not include any allowance for the work carried out for the Hospice by over 750 volunteers. The value of this work cannot be quantified.

The key management personnel of the group and company are the trustees and the executive team, comprising the Chief Executive, the Medical Director, the Commercial and Finance Director, the Director of Fundraising and Communications, the Director of Patient and Family Support and the Director of Clinical Services. The employee benefits of the key management personnel totalled £560,524 (2017 - £556,823).

11. Tangible fixed assetsGroup and company

	<u>Freehold land</u>	<u>Furniture,</u>	<u>Medical</u>	<u>Motor</u>	<u>Refurbishment</u>	<u>Total</u>
	<u>and buildings</u>	<u>fixtures and</u>	<u>equipment</u>	<u>vehicles</u>		
Cost		<u>fittings</u>				
At 1st April 2017	10,231,500	1,810,917	301,079	120,254	-	12,463,750
Additions	-	114,345	37,504	-	-	151,849
Transfers between classes	(55,427)	(195,122)	-	-	250,549	-
At 31st March 2018	<u>10,176,073</u>	<u>1,730,140</u>	<u>338,583</u>	<u>120,254</u>	<u>250,549</u>	<u>12,615,599</u>
Depreciation						
At 1st April 2017	2,382,629	1,470,628	251,025	109,842	-	4,214,124
Charge for the year	175,298	102,436	28,878	3,912	14,412	324,936
Transfers between classes	(2,217)	(39,024)	-	-	41,241	-
At 31st March 2018	<u>2,555,710</u>	<u>1,534,040</u>	<u>279,903</u>	<u>113,754</u>	<u>55,653</u>	<u>4,539,060</u>
Net book values						
At 31st March 2018	<u>£ 7,620,363</u>	<u>196,100</u>	<u>58,680</u>	<u>6,500</u>	<u>194,896</u>	<u>8,076,539</u>
At 31st March 2017	<u>£ 7,848,871</u>	<u>340,289</u>	<u>50,054</u>	<u>10,412</u>	<u>-</u>	<u>8,249,626</u>

Freehold land and buildings includes buildings with a cost of £8,764,914 (2017 - £8,820,341) that are being depreciated.

Freehold land and buildings have not been revalued. The trustees consider that there is no advantage in obtaining a valuation as the land and buildings are used exclusively for charitable purposes.

All assets are held for charitable use.



## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2018 (Continued)

12. Fixed asset investments	2018	2017
<u>Group</u>		
Listed investments:		
Market value at 1st April 2017	11,868,381	10,129,590
Additions at cost	250,979	267,621
Disposals at carrying value	(1,500,000)	-
Net (losses)/gains on investments	(61,737)	1,471,170
Market value at 31st March 2018	10,557,623	11,868,381
<u>Company</u>		
Cost of shares in subsidiary company:		
North London Hospice (Trading) Limited	5,000	5,000
	<u>£ 10,562,623</u>	<u>11,873,381</u>

The historical cost of the listed investments as at 31st March 2018 was £8,538,579 (2017 - £9,825,915).

At 31st March 2018 the listed investments all related to UK equities listed on the International Stock Exchange, London.

At 31st March 2018 UK equities comprised:

	Market value £	Cost £
6,397,206.70 units in the Newton Growth Fund for Charities	8,080,311	6,546,964
1,981,532.96 units in the Newton Global Growth & Income Fund for Charities	2,477,312	1,991,615
	<u>£ 10,557,623</u>	<u>8,538,579</u>

The Hospice owns 100% of the ordinary share capital of North London Hospice (Trading) Limited, a company registered in England and Wales, company number 2268094.

North London Hospice (Trading) Limited sells goods on behalf of the public for commission, following which the owners are invited to donate the proceeds to the charity under the gift aid scheme. During the year ended 31st March 2018 North London Hospice (Trading) Limited received commissions on goods sold of £5,058 (2017 - £7,757), received bank interest of £1 (2017 - the same) and incurred expenditure of £3,742 (2017 - £5,615). The profit of £1,316 (2017 - £2,143) was donated to North London Hospice.

The assets and liabilities of North London Hospice (Trading) Limited are as follows:

	2018	2017
Debtor: amount falling due within one year	210,590	286,619
Cash at bank	1,463	1,492
Creditors: amounts falling due within one year	(207,053)	(283,111)
Net assets	<u>£ 5,000</u>	<u>5,000</u>

## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2018 (Continued)

## 13. Debtors

	<u>Group and company</u>	
	<u>2018</u>	<u>2017</u>
VAT recoverable	58,043	43,714
Other debtors	586,331	248,619
Prepayments and accrued income	3,580,332	1,113,787
	<u>£ 4,224,706</u>	<u>1,406,120</u>

Prepayments and accrued income includes measurable legacies committed to North London Hospice as at 31st March 2018, but which were not received by that date, amounting to £3,261,313 (2017 - £821,170).

## 14. Creditors: amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Expense creditors	213,113	198,648	213,113	198,648
Amount owed to subsidiary company	-	-	210,590	286,619
Taxation and social security	157,014	156,417	157,014	156,417
Other creditors	207,053	283,111	-	-
Accruals and deferred income	79,190	97,731	79,190	97,731
	<u>£ 656,370</u>	<u>735,907</u>	<u>659,907</u>	<u>739,415</u>

## 15. Creditors: amounts falling due after more than one year

	<u>Group and company</u>	
	<u>2018</u>	<u>2017</u>
Loan - The Governors of the Peabody Donation Fund (secured) (including rolled up interest of £865,554 (2017 - £821,394))	<u>£ 1,365,554</u>	<u>1,321,394</u>

The loan, the principal sum of which is £500,000, is secured by a charge over certain freehold land owned by the Hospice and only becomes repayable, together with interest thereon equivalent to the drop in real value of the principal sum due to inflation between 30th June 1987 and the date of repayment, in certain eventualities, the main ones being in the event of liquidation or if the building is used for any purpose other than a hospice.

## 16. Defined benefit pension scheme liability

Group and company

The charity is a member of the London Government Pension Scheme, a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2007/08. The scheme is contracted out of the State Second Pension and currently provides benefits based on final salary and length of service on retirement. Changes to the scheme came into effect from 1st April 2014 and any benefits accrued from this date will be based on career average revalued salary, with various protections in place for those members in the scheme before the changes take effect. The assets of the scheme are held separately from those of the charity.

The most recent actuarial valuation of the scheme was as at 31st March 2018.

	<u>2018</u>	<u>2017</u>
Net liability at 1st April 2017	612,000	586,000
Amount (credited)/charged to the statement of financial activities, being actuarial (gains)/losses	(110,000)	26,000
Net liability at 31st March 2018	<u>£ 502,000</u>	<u>612,000</u>

The amount included in the balance sheet comprises:

Present value of funded obligation	2,177,000	2,253,000
<u>Deduct:</u> Fair value of scheme assets	<u>(1,675,000)</u>	<u>(1,641,000)</u>
Net liability in the balance sheet	<u>£ 502,000</u>	<u>612,000</u>

The charity has given a fixed charge over one of its freehold properties in favour of The London Pensions Fund Authority in respect of this net liability.



NORTH LONDON HOSPICENOTES TO THE ACCOUNTS - 31ST MARCH 2018 (Continued)16. Defined benefit pension scheme liability (continued)20182017

The amount recognised in the statement of financial activities in respect of the year ended 31st March 2018 is:

Service cost	12,000	10,000
Net interest on the defined liability	14,000	20,000
Administration expenses	2,000	2,000
Total loss	£ 28,000	32,000

## Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Opening defined benefit obligation	2,253,000	1,903,000
Current service cost	12,000	10,000
Interest cost	53,000	65,000
Change in financial assumptions	(78,000)	394,000
Change in demographic assumptions	-	(39,000)
Experience gain on defined benefit obligation	-	(11,000)
Estimated benefits paid net of transfers in	(65,000)	(71,000)
Contributions by scheme participants	2,000	2,000
Closing defined benefit obligation	£ 2,177,000	2,253,000

## Reconciliation of opening and closing balances of the fair value of fund assets

Opening fair value of fund assets	1,641,000	1,317,000
Interest on assets	39,000	45,000
Return on assets less interest	50,000	220,000
Other actuarial gains	-	119,000
Administration expenses	(2,000)	(2,000)
Contributions by employer including unfunded	10,000	11,000
Contributions by fund participants	2,000	2,000
Estimated benefits paid plus unfunded net of transfers in	(65,000)	(71,000)
Closing fair value of fund assets	£ 1,675,000	1,641,000

## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2018 (Continued)

## 16. Defined benefit pension scheme liability (continued)

At 31st March 2018 the assumed life expectancy from age 65 are:	<u>Years</u>
Retiring today	
Males	21.3
Females	25.3
Retiring in 20 years	
Males	23.7
Females	27.5
Financial assumptions as at 31st March 2018	<u>% p.a.</u>
RPI increases	3.35%
CPI increases	2.35%
Salary increases	3.85%
Pension increases	2.35%
Discount rate	2.5%

The return on the fund (on a bid value to bid value basis) for the year to 31st March 2018 is estimated to be 6%. The actual return on fund assets over the year may be different.

The estimated asset allocation for North London Hospice as at 31st March 2018 is as follows:

Equities	1,024,000	61%
LDI/Cashflow matching	-	n/a
Target Return Portfolio	375,000	22%
Infrastructure	73,000	4%
Commodities	-	n/a
Property	121,000	7%
Cash	82,000	6%
	<u>£ 1,675,000</u>	<u>100%</u>



## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2018 (Continued)

## 16. Defined benefit pension scheme liability (continued)

## Sensitivity analysis

Adjustment to discount rate	<u>+0.1%</u>	<u>0.0%</u>	<u>-0.1%</u>
Present value of total obligation	£ 2,147,000	2,177,000	2,208,000
Projected service cost	£ 12,000	12,000	12,000
Adjustment to long term salary increase	<u>+0.1%</u>	<u>0.0%</u>	<u>-0.1%</u>
Present value of total obligation	£ 2,177,000	2,177,000	2,177,000
Projected service cost	£ 12,000	12,000	12,000
Adjustment to pension increases and deferred revaluation	<u>+0.1%</u>	<u>0.0%</u>	<u>-0.1%</u>
Present value of total obligation	£ 2,208,000	2,177,000	2,147,000
Projected service cost	£ 12,000	12,000	12,000
Adjustment to life expectancy assumptions	<u>+ 1 year</u>	<u>None</u>	<u>- 1 year</u>
Present value of total obligation	£ 2,267,000	2,177,000	2,090,000
Projected service cost	£ 12,000	12,000	12,000

## Remeasurements in other comprehensive income

## Remeasurement of the net assets/(defined liability)

	<u>2018</u>	<u>2017</u>
Return on fund assets in excess of interest	50,000	220,000
Other actuarial gains on assets	-	119,000
Change in financial assumptions	78,000	(394,000)
Change in demographic assumptions	-	39,000
Experience gain on defined benefit obligation	-	11,000

Remeasurement of the net assets/(defined liability)	£ 128,000	(5,000)
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## Projected pension expense for the year to 31st March 2019

Service cost	12,000
Net interest on the defined liability	13,000
Administration expenses	2,000
Total loss	£ 27,000
Employer contributions	£ 11,000

## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2018 (Continued)

Group and company17. Endowment funds

	Pauline Glasser Endowment	Mrs. Burgess Fund for Children	Capital Fund	Endowment Fund	Total
Balance 1st April 2017	491,673	17,000	150,000	1,767,940	2,426,613
Income	14,584	9	75	52,442	67,110
Expenditure	(14,584)	(9)	(75)	(52,442)	(67,110)
Unrealised gains/(losses)	48	-	-	173	221
Balance 31st March 2018	£ 491,721	17,000	150,000	1,768,113	2,426,834

Pauline Glasser Endowment:

Under a trust deed dated 1st April 1993 the income of the trust fund may only be applied for the maintenance of the Hospice and for all other charitable purposes for which the North London Hospice was established. The fund is represented by fixed asset investments.

Mrs. Burgess Fund for Children:

A capital sum of £17,000 was received in June 1995. Income is used for the company's principal charitable purpose. The fund is represented by cash on deposit.

Capital Fund:

Capital sums of £150,000 were received in 1993 and 1994. Income from the fund can be used for general purposes and the fund is represented by cash on deposit.

Endowment Fund:

A capital sum of £1,280,095 was received during the year ended 31st March 2008. Income generated from the fund may be used for the Hospice's general purposes. The trustees have also agreed with the donor that part or all of the capital sum may be used on running costs should the need arise in future years in a narrow range of particular circumstances. The fund is represented by fixed asset investments.

18. Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations to be applied for specific purposes:

	Balance 1st April 2017	Income	Expenditure	Transfers between funds	Balance 31st March 2018
Equipment and teaching fund	-	13,604	(13,604)	-	-
Day care fund	-	6,500	(6,500)	-	-
Kitchen refurbishment fund	-	8,496	-	-	8,496
Haringey Community Team	-	499,850	(499,850)	-	-
IPU refurbishment project fund	6,526	10,980	(10,980)	-	6,526
Finchley refurbishment fund	-	4,240	(4,240)	-	-
PCSS fund	-	354,500	(354,500)	-	-
Macmillan project fund	-	151,527	(151,527)	-	-
Triage costs	-	2,000	(2,000)	-	-
£	6,526	1,051,697	(1,043,201)	-	15,022



## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2018 (Continued)

19. Designated fund

The trustees have designated £6,710,985 (2017 - £6,928,232) as a tangible fixed assets fund. This fund represents an amount equal to the net book value of the tangible fixed assets less the creditor falling due after more than one year which is secured by a charge over certain freehold land owned by the Hospice, as it forms part of the funds the Hospice holds that are not readily available to expend on meeting its charitable objectives.

20. Analysis of net assets between funds

*At 31st March 2018*

<u>Group</u>	<u>Tangible fixed assets</u>	<u>Investments</u>	<u>Current assets</u>	<u>Creditors</u>	<u>Pension liability</u>	<u>Total</u>
Endowment funds						
Pauline Glasser Endowment	-	491,721	-	-	-	491,721
Mrs. Burgess Fund for Children	-	-	17,000	-	-	17,000
Capital Fund	-	-	150,000	-	-	150,000
Endowment Fund	-	1,768,113	-	-	-	1,768,113
Restricted funds						
IPU refurbishment project fund	-	-	6,526	-	-	6,526
Kitchen refurbishment fund	-	-	8,496	-	-	8,496
Unrestricted funds						
Designated fund						
Tangible fixed assets fund	8,076,539	-	-	(1,365,554)	-	6,710,985
General fund	-	8,297,789	6,108,188	(656,370)	(502,000)	13,247,607
	<u>£ 8,076,539</u>	<u>10,557,623</u>	<u>6,290,210</u>	<u>(2,021,924)</u>	<u>(502,000)</u>	<u>22,400,448</u>

<u>Company</u>	<u>Tangible fixed assets</u>	<u>Investments</u>	<u>Current assets</u>	<u>Creditors</u>	<u>Pension liability</u>	<u>Total</u>
Endowment funds						
Pauline Glasser Endowment	-	491,721	-	-	-	491,721
Mrs. Burgess Fund for Children	-	-	17,000	-	-	17,000
Capital Fund	-	-	150,000	-	-	150,000
Endowment Fund	-	1,768,113	-	-	-	1,768,113
Restricted funds						
IPU refurbishment project fund	-	-	6,526	-	-	6,526
Kitchen refurbishment fund	-	-	8,496	-	-	8,496
Unrestricted funds						
Designated fund						
Tangible fixed assets fund	8,076,539	-	-	(1,365,554)	-	6,710,985
General fund	-	8,302,789	6,106,725	(659,907)	(502,000)	13,247,607
	<u>£ 8,076,539</u>	<u>10,562,623</u>	<u>6,288,747</u>	<u>(2,025,461)</u>	<u>(502,000)</u>	<u>22,400,448</u>

## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2018 (Continued)

## 20. Analysis of net assets between funds (continued)

At 31st March 2017

<u>Group</u>	<u>Tangible fixed assets</u>	<u>Investments</u>	<u>Current assets</u>	<u>Creditors</u>	<u>Pension liability</u>	<u>Total</u>
Endowment funds						
Pauline Glasser Endowment	-	491,673	-	-	-	491,673
Mrs. Burgess Fund for Children	-	-	17,000	-	-	17,000
Capital Fund	-	-	150,000	-	-	150,000
Endowment Fund	-	1,767,940	-	-	-	1,767,940
Restricted funds						
IPU refurbishment project fund	-	-	6,526	-	-	6,526
Unrestricted funds						
Designated fund						
Tangible fixed assets fund	8,249,626	-	-	(1,321,394)	-	6,928,232
General fund	-	9,608,768	2,508,806	(735,907)	(612,000)	10,769,667
	<u>£ 8,249,626</u>	<u>11,868,381</u>	<u>2,682,332</u>	<u>(2,057,301)</u>	<u>(612,000)</u>	<u>20,131,038</u>
<u>Company</u>	<u>Tangible fixed assets</u>	<u>Investments</u>	<u>Current assets</u>	<u>Creditors</u>	<u>Pension liability</u>	<u>Total</u>
Endowment funds						
Pauline Glasser Endowment	-	491,673	-	-	-	491,673
Mrs. Burgess Fund for Children	-	-	17,000	-	-	17,000
Capital Fund	-	-	150,000	-	-	150,000
Endowment Fund	-	1,767,940	-	-	-	1,767,940
Restricted funds						
IPU refurbishment project fund	-	-	6,526	-	-	6,526
Unrestricted funds						
Designated fund						
Tangible fixed assets fund	8,249,626	-	-	(1,321,394)	-	6,928,232
General fund	-	9,613,768	2,507,314	(739,415)	(612,000)	10,769,667
	<u>£ 8,249,626</u>	<u>11,873,381</u>	<u>2,680,840</u>	<u>(2,060,809)</u>	<u>(612,000)</u>	<u>20,131,038</u>

NORTH LONDON HOSPICENOTES TO THE ACCOUNTS - 31ST MARCH 2018 (Continued)21. Commitments under operating leases

The company is committed to make the following future minimum lease payments under non-cancellable operating leases for the use of land and buildings:

	<u>2018</u>	<u>2017</u>
Payable within one year	427,747	443,982
Payable within two to five years	1,050,832	1,235,713
Payable in more than five years	64,083	176,952
	<u>£ 1,542,662</u>	<u>1,856,647</u>

22. Financial instruments

<u>Group</u>	<u>2018</u>	<u>2017</u>
Financial assets		
Financial assets measured at fair value	12,623,027	13,144,593
Financial assets that are debt instruments measured at amortised cost	3,875,152	1,079,284
	<u>£ 16,498,179</u>	<u>14,223,877</u>
Financial liabilities		
Financial liabilities measured at amortised cost	£ 999,356	1,079,490



## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2018 (Continued)

## 23. Prior year's consolidated statement of financial activities

	Unrestricted funds	Restricted funds	Endowment funds	Total funds
Income:				
Donations and fundraising	1,557,734	115,966	-	1,673,700
Legacies	917,658	-	-	917,658
Charitable activities				
Grants	2,103,967	922,258	-	3,026,225
Other trading activities				
Charity shops sales	1,807,321	-	-	1,807,321
Donated agency sales	586,725	-	-	586,725
Rental income	7,037	-	-	7,037
Investment income	201,620	-	67,660	269,280
Other	27,408	-	-	27,408
Total income	7,209,470	1,038,224	67,660	8,315,354
Expenditure:				
Raising funds				
Fundraising and promotion	709,169	-	-	709,169
Charity shops expenditure	1,843,796	-	-	1,843,796
Investment manager's fees	44,983	-	-	44,983
Charitable activities				
Cost of operation of hospice	6,262,889	1,009,526	67,660	7,340,075
Other				
Interest on loan from The Governors of the Peabody Donation Fund	40,236	-	-	40,236
Total expenditure	8,901,073	1,009,526	67,660	9,978,259
Net gains on investments	1,201,802	-	269,368	1,471,170
Net (expenditure)/income before transfers	(489,801)	28,698	269,368	(191,735)
Transfers between funds	37,135	(37,135)	-	-
Net (expenditure)/income after transfers	(452,666)	(8,437)	269,368	(191,735)
Other recognised losses				
Actuarial losses on defined benefit pension scheme	(26,000)	-	-	(26,000)
Net movement in funds	(478,666)	(8,437)	269,368	(217,735)
Reconciliation of funds:				
Total funds brought forward, 1st April 2016	18,176,565	14,963	2,157,245	20,348,773
Total funds carried forward, 31st March 2017	£ 17,697,899	6,526	2,426,613	20,131,038