

# Thames hospice

## ANNUAL REPORT AND ACCOUNTS

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for the year ended 31 March 2018

Registered Company No: 5316964

Registered Charity No. 1108298



**The Queen's Award  
for Voluntary Service**

*The MBE for volunteer groups*

**THAMES HOSPICE**  
**ANNUAL REPORT**  
**for the year ended 31 March 2018**

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**Trustees' Report**

The Trustees are pleased to present their annual report together with the Financial Statements for the year ended 31 March 2018, which are also prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (Charities SORP (FRS102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

# **THAMES HOSPICE**

## **TRUSTEES' REPORT**

### **for the year ended 31 March 2018**

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#### **Who we are**

Thames Hospice is the local charity supporting people living with life limiting illness in East Berkshire and South Buckinghamshire.

#### **A holistic approach**

We provide expert nursing and medical care, with emotional and practical support for adults who have illnesses from which they are not expected to recover. We also offer a wide range of therapies to support our patients' physical, psychological, social and spiritual needs. Our care and support extends to family, friends and carers.

#### **Always here**

Our vital services are free of charge for all those who access them, and are available wherever they are needed: in our Hospice and our Day Therapies Unit both at Pine Lodge and in our patients' own homes, 365 days a year.

#### **Expert care**

Our highly qualified and trained teams of nurses, doctors, consultants, therapists and healthcare assistants, provide expert clinical and complementary care to our patients.

#### **Our services are free to those who need them**

All our services are free to our patients and their families, friends and carers. We are grateful for the generous support of our fundraisers and donors who help us to generate around 70% of the income we need to run our Hospice.





### **Our Vision**

**Quality of life to the end of life for everyone**

### **Our Mission**

**To provide and support the best palliative and end of life care to our community, giving dignity and comfort to those facing life limiting illnesses.**

### **Our Values**

<b>Compassion</b>	We treat everyone with kindness and compassion, providing a secure and caring environment.
<b>Excellence</b>	We are committed to delivering and demonstrating excellence and quality in everything we do.
<b>Collaboration</b>	We recognise the best quality of care is achieved when we work as a team, leveraging the skills and experience of individuals as well as our healthcare and community partners.
<b>Integrity</b>	We always act with integrity and strive to demonstrate the highest ethical standards of behaviour.
<b>Respect</b>	We believe in treating everyone with dignity and respect.
<b>Ambition</b>	Our desire and determination to succeed in meeting the growing needs of our local community.
<b>Commitment</b>	We are dedicated to providing the best palliative and end of life care to all who need us now and in the future.

## **Introduction by our Chief Executive and Chair of Trustees**



**Debbie Raven**  
**Chief Executive**



**Martin Jervis**  
**Chair of Trustees**

On behalf of everyone at Thames Hospice, we're delighted to welcome you to our annual report. We would like to take this opportunity to recognise and thank all of our teams including volunteers for their hard work and commitment. Without our colleagues in fundraising, retail, support services, housekeeping, on reception or out there raising funds for us in the community we quite simply couldn't provide the exceptional help and support to people who so desperately need it.

The same is true of our donors and supporters who are incredibly generous in helping us to fund the invaluable services we provide. It costs nearly £8 million per year to run the hospice and although we have excellent support from our NHS commissioners we rely on our community for 70% of our funding. We've been a part of our community for over 30 years and the amount of support we receive is amazing.

This year we've seen all of our services increase and offer more care to more people, but most markedly in the community. Although our in-patient unit has consistently run at 85% occupancy, we have seen our community and outpatient teams more than double in size. This has been predominantly due to new services, which have been funded by the NHS; namely an expanded lymphoedema service which we have seen increase by 235% and the launch of our 24/7 advice line along with a rapid response team who provided 1,242 visits in their first 10 months. In addition, we have provided more support from counselling, pastoral care, complementary therapy and our day services.

There are challenges ahead in terms of a growing population with ever increasing needs and we know that this will result in higher demand across all health and social care, not only ourselves. We believe passionately that a key part of our role is to work alongside others in providing high quality care, offering support wherever we can and we are looking to expand our training provision to enable more organisations to provide the expert care we know our community needs.

Our plans to build a new hospice have progressed well this year and 2018/19 will see the launch of a public appeal to raise funds to help us achieve this aim.

We have had an incredibly busy and successful 2017/18 which has resulted in us providing many more services to our community whilst at the same time delivering a strong financial result. Our teams have risen to the challenges this has posed whilst maintaining the high quality which we pride ourselves on and which our community deserves. 2018/19 promises to be just as exciting as we progress our plans to expand and develop our services further. We have every confidence in our staff, volunteers and supporters to deliver these plans which will result in exceptional inpatient and community care to those who need us most.

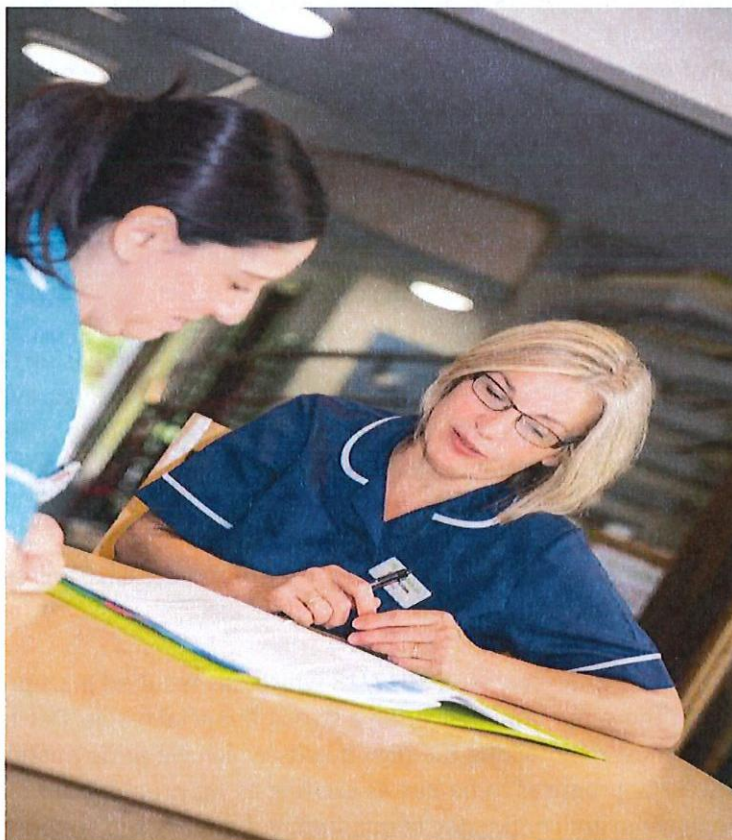


## **Strategic Report**

### **Why we are here**

*Our Five Year Strategy, implemented in 2016/17 states our strategic aims:*

- To be the leaders of palliative and end of life care in our community, providing a patient centred, seamless service focussed on quality and equity.
- To be the charity of choice in our local community, generating income and raising awareness to deliver our mission.
- To ensure the financial viability and sustainability of the charity so that we can continue to deliver our mission.
- To lead the design and delivery of sustainable organisational resource planning to support our mission.



# THAMES HOSPICE

## TRUSTEES' REPORT

### for the year ended 31 March 2018

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#### *Ensuring our work delivers our aims*

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. We review our aims, objectives and activities throughout the year and at the end of each year. Our aims and objectives are set out in the Strategic Operating Plan, and progress is reported through the relevant sub-committees to the Board on a quarterly basis.

These regular reviews look at the success of each activity and the benefits they have brought to the group of people we are set up here to help. These reviews also help us to ensure that our aims, objectives and activities remain focused on our stated purpose.

#### **Public Benefit**

The trustees have complied with the duty in the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission. Thames Hospice exists for the public benefit for the advancement of health and to provide relief to those in need by reason of ill health.

The charity's objects and activities focus on the relief of sickness, in particular of those persons suffering from cancer and other life-limiting illness and the support of carers, families, friends and dependents during and after such illness, in such ways as the charity sees fit. All of these charitable activities deliver public benefit, and all services provided to patients and their families are provided free of charge at the point of delivery, facilitated by a combination of NHS funding and our other income generation activities.

We are seeing a change in the landscape of local NHS funding. During 2017/18 our East Berkshire Care Commissioning Groups (CCGs) commissioned two new fully funded services from us: an extended lymphoedema therapy service and a 24 Hour Helpline and Rapid Response Team. Our Community Team have previously worked via a service agreement with the Berkshire Healthcare NHS Foundation Trust (BHFT) but we have now taken over this team officially and all of the staff have come over to Thames Hospice under a TUPE (Transfer of Undertakings (Protection of Employees) Regulations) arrangement.

All of these new services enable us to provide another level of care to those in our community who need us. Excluding these fully funded services, the NHS provides us with funding for around 30% of our patient related costs; the remainder being met through our Fundraising and Retail activities and our investment income.

Referrals are accepted from a variety of sources and our services are allocated according to clinical need. Care is currently delivered in the following ways:

- 17 bedded In Patient Unit at Thames Hospice, Pine Lodge, Windsor.
- Day Therapy Unit for outpatients and inpatients alike operating two days each week at Pine Lodge.
- Physiotherapy, occupational therapy and lymphoedema treatments.
- 24/7 Helpline and Rapid Response team.
- Community Palliative Care (incorporating Hospice at Home).
- Counselling, psychological and spiritual support.

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**TRUSTEES' REPORT**  
**for the year ended 31 March 2018**

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***Impact statement***

Given the dual challenges of an ageing population with increasingly complex conditions, the need for our services has never been more acute. The level and range of the services we provide is increasing every year. It was with this in mind that we embarked on our plans for expansion and a move to our new purpose built hospice facility in Bray. Our new buildings will house a larger In Patient Unit, Day Therapies Unit, Treatment rooms, education centre and carer and family facilities as well as the back office and support services accommodation.

Our impact on the local community through the services we provide is without doubt and we are looking forward to being able to expand and provide them to more people in need at our new site in Bray. We will launch the public phase of the capital appeal to help fund the new build in 2018/19 and hope to engage further local support from the community.

The impact and public benefit of Thames Hospice is clearly evident in the numbers of people we help at no charge to the patients and the feedback we receive from both patients and their loved ones. During 2017/18 we admitted 329 (2017: 353) patients to our inpatient unit which ran at our maximum target of 85% (2017: 81%) this year; we provided 2,131 (2017: 1,810) hours of care in patients' homes and delivered 6,270 (2017: 4,620) sessions and appointments for day therapies, counselling and other complementary therapies to patients and their loved ones. To increase and improve these services will impact upon the local community in a very positive way and the improved funding of those services will secure this position and a sustainable future for the Hospice.



## **Key achievements in 2017/18**

This year has been a successful one for Thames Hospice with the charity continuing to deliver exceptional clinical services to the community and maintaining the high occupancy rate of the previous year. Feedback has been consistently positive and complimentary from patients and their families, demonstrating our ability to deliver our gold standard of care in challenging circumstances.

Our priorities for the year 2017/18 were based on Year Two objectives in our Five Year Strategy as detailed on Page 5.

**Some of the main objectives and how we performed are noted below:**

- To continue to develop our designs and financial planning for our new combined 28 bed hospice and day care centre.
  - Over the past year we have finalised our plans for the new building, completing designs and costings to enable us to move forwards next year to tender the build contract.
  - We have continued to monitor the financial effects of the new build and update longer term plans to support our sustainability.
  - We were granted planning permission in principle in July 2017; formally confirmed after fulfilling all legal requirements in May 2018.
- To action and monitor plans to maximise our recruitment and retention of critical clinical roles, a nationally challenging issue.
  - Our Human Resources and Clinical teams have led a successful recruitment process which has resulted in our IPU being fully staffed.
  - We have successfully staffed the additional new services we have been commissioned to provide during the year.
- To set up and launch the new 24/7 telephone support line and rapid response team to help our patients in the community.
  - The new services were launched in May and had a really successful first year. The number of calls to the helpline increased from 24 in May to 159 in March as people became familiar with the service, resulting in a total of 1,216 for the year. The Rapid Response team went out on 15 visits in May, rising to 195 in March, a total of 1,242 for the year.
  - We have been delighted with the progress of the new services, as have our CCGs.
- To implement all regulatory requirements of the new fundraising regulatory body and ensure we are able to optimise our fundraising income within the new rules.
  - The Fundraising and Governance teams have worked hard to bring all of our policies and procedures in line with new regulations and we are compliant with all.
- To launch our capital appeal for the new Thames Hospice.
  - The private phase of the capital appeal was launched in the autumn of 2017 following initial grant of planning permission. We are now planning the public phase for spring 2019.

## THAMES HOSPICE

### TRUSTEES' REPORT

#### for the year ended 31 March 2018

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- To continue to expand our number of retail units, sourcing the best local sites for our stores.
  - We opened one new store during the year in Henley; plans are in place for potentially three new stores next year.
- To manage and monitor our finances in the current year whilst also developing our plans for the future, working within our governance and risk management frameworks.
  - The Finance team have worked through our usual programme of management accounts, forecasting and budgeting during the year. Our ten year plans have been kept updated and our investments carefully managed.



## Thank you

We are deeply indebted to all of our donors and supporters, without whom we could not continue providing the services we do.

During 2017/18 we launched the private phase of our capital appeal through which we hope to raise £6 million of the £18 million it will cost us to build the new Thames Hospice, the remainder coming from our reserves. We would particularly like to thank The Stephenson Family Trust and The Louis Bayliss Trust for their generous donations to the appeal in 2017/18.

## **Key objectives for 2018/ 19**

We are now into Year Three of our Five Year Strategy (2016 to 2021). As in the previous year we have compiled an Operating Plan for the coming year. Each department sets out objectives and targets to achieve during the year which align with the agreed Strategy. This Plan is reviewed quarterly by the relevant committee and by the Board. Some key targets and challenges for the coming year, in line with the four strategic aims on page 5 are:

- To continue to expand and improve the services we provide to our community including the new services introduced in 2017/18 and to integrate the former BHFT Community Team into Thames Hospice.
- To complete the tender process for the new hospice build, appoint contractors and start on site.
- To work on our transition plans to the new hospice buildings including workforce planning, equipment requirements and ongoing plans for areas such as recycling and environment management.
- To plan the expansion of our Education services to provide to the wider community.
- To implement all requirements of the General Data Protection Regulations coming into force in May.
- To launch the public phase of our capital appeal for the new Thames Hospice.
- To continue our retail expansion programme to maximise income from this source.
- To ensure that our finances are stable and well managed as we move into the build phase of the new hospice and expand our services further.

### *Associated risk*

We identify and monitor risk through our risk management process (see page 21). Our annual setting of objectives and operating plan feed into the process enabling us to identify the major risks associated with our current and future work programme. The risks associated with fulfilment of our strategic objectives are reviewed quarterly by each committee and full Board as necessary.

The above key targets and opportunities carry associated risks, the most significant of which are:

- The new hospice build is an extraordinary opportunity for the charity to improve and expand the provision of all of our services to the wider community but it also carries multiple risks. For example, there are reputational risks relating to moving site from a location special to many and of expanding beyond our means; there are financial risks inherent in the capital build itself and also the future sustainability of the charity; and there are very real practical risks associated with the transition and how we plan and execute that.
  - We mitigate the risks we have identified by thorough planning for the move both operationally and financially. Our ten year financial plans are updated and reviewed regularly and are compiled alongside the operational strategies.
- The expansion of services and the introduction of new ones both bring opportunities for the charity to provide our services to more people in need but also carry multiple risks. For example, there are financial risks of over stretching our current and future resources; there are risks associated with recruitment of staff to deliver the services required; and we must consider reputational risk associated were we to allow our standard of service to fall due to over expansion.



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- Every new service or expansion of an existing one is planned in advance in terms of capacity, staffing and affordability. We have excellent relationships with our CCGs and this enables us to review any new service requirements with them openly to ensure we can provide what is required.
- We receive about 27% of our income from NHS grants and contracts, excluding fully commissioned services, so are reliant upon our fundraising and retail activities to bridge the gap. Our resulting income generation targets carry multiple risks, for example:
  - The proposed additional requirements of GDPR may affect our fundraising operations at a time when the public phase of the capital appeal is about to be launched; we are mitigating this risk by using a regulator permitted legitimate interest matrix to contact previous donors who we perceive still have an interest in hearing from us.
  - Our retail expansion relies heavily on our ability to recruit volunteers to work in our shops and this has been a challenge in many areas. It also relies on the sites that become available which are never certain and the increasing rent trend affects our affordability of some sites. We have a volunteer recruitment campaign in place and aim to secure the best sites for us at affordable rents but the general UK retail market trend remains a challenge.

## Financial Review

### *Review of the year 2017/18*

We have had a strong performance this year with regard to our financial position, despite the downturn in the equities market in quarter 4 delivering an overall loss for the year on our investments. We have made an overall surplus on the SOFA (Statement of Financial Activities, see page 29) in the year of £946k (2017: £820k) including the first restricted fund income to our capital appeal for the new hospice of £257k and legacies in the year of £1,746k. Below we look at each SOFA line and review the results.



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#### *Raising Funds: Donations and Legacies*

We are, as always indebted to our generous donors and supporters for their continued commitment to the hospice. Without them, we simply could not continue to provide the free of charge care our patients and their loved ones need.

This year, donations and legacies income increased substantially to £5,962k from £3,205k. The reasons for this are threefold:

- We received legacy income of £1,746k compared with only £217k last year. 2016/17 was the poorest year for a decade so we had been hopeful that this income line would improve in 2017/18 and it has exceeded our forecast. This is an unpredictable income line as we previously reported and so we budget for £1million each year based on our rolling average over the previous years; so we hope to achieve this in the coming year.
- We received the first income towards our capital appeal target of £6million. At this stage we have launched the private phase of the appeal only and hope to launch the public phase in spring 2019. We had not budgeted to receive income yet and so were delighted to receive £257k to start us off.
- Our core grant from the East Berkshire CCGs was increased to cover the costs of the expanded lymphoedema service and the 24/7 helpline and rapid response teams. These two services account for £805k of the increase in grant funding from £1,283 to £2,144k.

#### *Raising Funds: Charitable Activities*

Our charitable activities rose from £250k to £256k in the year 2017/18. The income is received largely from the East Berkshire CCGs who pay Continuing Health payments to us for longer stay patients. This income was similar to last year at £210k (2017: £207k).

#### *Raising Funds: Other Trading Activities*

This category of income rose this year by £222k to £2,286k (2017: £2,064k). Events income did well this year with the China Trek, the Santa Dash and the Sunflower Walk maintaining steady income, and our Bubble Rush event rather struggling in its first year.





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The retail division improved on last year's performance for sales of donated and new goods – in total they brought in £1,900k this year versus £1,734k in 2016/17. This is due to many stores improving on their prior year performance but also the addition of our new shop in Henley and a full year's trading in our 2016/17 store openings. For the first time our retail division generated a net contribution to the charity's fund of just over half a million pounds.



#### *Raising Funds: Investment and Other Income*

Investment Income was slightly down on last year at £491k (2017: £500k). Our investments continue to generate a healthy income but just fell short of the target of £500k.

Other income was £97k versus last year's £660k because of the inclusion last year of the net receivable from the surrender of the lease of the Paul Bevan Centre land in Ascot. This year the figure includes the pension rebate for NHS pension contributions from the East Berkshire CCGs as last year and some insurance income received due to some care being provided to mesothelioma patients.

#### *Expenditure: Raising Funds*

Direct costs of raising funds have increased to £3,130k this year (2017: £2,772k). This is due to several factors including the launch of our capital appeal. Despite the income going into a restricted fund, the costs of the appeal will be met out of general funds.

In retail, we have seen the full year effect of costs relating to shops opened in 2016/17, the new shop in Henley and a number of rent rises in existing shops. We have also focussed on reflecting government targeted increases in the minimum wage alongside hospice benchmarking in resetting salaries.

#### *Expenditure: Charitable Activities*

Direct costs of charitable activities have risen by £775k to £3,283k this year (2017: £2,508k). This is almost entirely due to the new 24/7 helpline and rapid response teams launched in May 2017 plus the extension of our lymphoedema service.



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#### *Expenditure: Central Services Support Costs*

Our central support costs were well controlled once again and consistent from last year to this. We made some small savings in many areas during the year, resulting in a total for the year of £1,645k (2017: £1,677k).

The allocation of central services costs was 49% to Raising Funds and 51% to Charitable Activities (2017: 53% and 47% respectively). The apportionment of central services costs this year reflects the increased proportionate spend on patient services with the increase in services provided.

#### *Investment gains and losses:*

Our investments gained several hundred thousand pounds over the year until Quarter 4 when equity markets intervened to lose us what we had gained and more. So we ended the year on a loss of £88k (2017: gain of £1,098k). Market recoveries in April and May meant that we regained a substantial proportion of the losses to take us back to our position at the end of Quarter 3 but too late to affect our results. Note that investment management fees remained steady and in line with last year at £50k (2017: £41k) given our increased activity and average portfolio value.

#### *The Balance Sheet*

The main components of the balance sheet have remained reasonably consistent with last year. Fixed assets have risen due to the capitalisation of fees and other costs associated with the new build which are disclosed in Note 13 as Assets Under Construction. Investments as mentioned in absolute terms due to additional investment of the funds from Ascot but fell slightly at the end of the year. Net current assets remained consistent from last year to this with no liquidity issues.

#### *Reserves*

At the year end the total funds in the group stood at £20,996k (2017: £20,050k). Of this, Restricted funds totalled £310k (2017: £62k), Designated funds £10,608k (2017: £10,635k) and General funds £10,078k (2017: £9,353k). The funds are analysed further in Notes 18 and 19 to the accounts and our Reserves Policy detailed below.

#### *Reserves policy*

In order to maintain our level of service to our patients and their loved ones, our aim is to achieve sustainable funding for Thames Hospice and to ensure that our reserves give sufficient resilience to allow for fluctuations in income. It is recognised by the trustees that the charity may generate a surplus or deficit in any one year depending on the unpredictable nature of some funding streams and general economic conditions. The trustees have therefore determined to maintain a reserve position that would enable the charity to continue operations during deficit years, and in surplus years, invest additional funds generated in our investment portfolio.

The charity determines its future reserve requirements by producing ten year projections of income and expenditure and reviewing the charity risk register on a quarterly basis and whenever a change in operations might necessitate. The trustees have decided to set the level of reserves by reviewing these projections and ensuring that any potential deficit years would be covered by our free reserves. Free reserves are defined as

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our total reserve net of restricted funds, fixed assets and any reserves designated for specific purposes by the trustees. Surplus reserves generated are set aside for future projects of a capital or revenue nature. Such designations for future projects are agreed by the Board prior to the financial year end as required by the Charities Statement of Recommended Practice.

The reserves policy is reviewed annually by the Finance and Investment Committee and any recommendations for change presented to the Board for approval. The Committee will review the sufficiency of free reserve at each year end.

The trustees have reviewed the policy in place for 2017/18 and have determined that it is fit for purpose and that reserves are adequate in accordance with the provisions of the policy. The large designation relates to the project to build the new hospice and expand the services it provides; initially £10 million, the fund was increased by designating the net funds received from the surrender of our Ascot property in 2016/17. The ten year financial projections for the charity, including the planned expansion and new build hopefully completing in 2020, show that we would need to ensure we keep approximately £5 million in a free reserve to cover potential annual deficits caused by income fluctuation. This amount would ensure the sustainability of the charity as long as there are no major material variances to the forecast expenditure or changes to our major income streams. The reserves may be classified as follows:

	£m
Fixed assets	5.0
Designated reserve for capital project	10.6
Restricted reserves	0.3
Free reserves	<u>5.1</u>
Total reserves	<u>21.0</u>

The free reserve currently sits just above the target of £5 million. The trustees have approved this as it is within an acceptable range of the target and would hope to add to this reserve when possible.

All income received into the capital appeal will be ring fenced in the restricted reserves to be used exclusively on the new build.

#### ***Investment policy***

We have continued to use Investec Wealth & Investment Limited as our investment manager throughout the financial year, remunerated by a management fee. Investec actively manage our portfolio in line with the investment policy set by the trustees and report back to the Board on the performance of the portfolio on a quarterly basis. We are retaining the conservative approach to our investment holdings as we approach the time when we will need to draw down significant sums to help fund the new hospice. Investec will be helping us to manage the cash requirements over the course of the capital project, providing professional guidance and ensuring drawdowns are managed appropriately and effectively.

#### **Main portfolio:**

The investment policy is such that the main portfolio will be managed within a "moderate" risk and within pre-determined asset allocation ranges. Total investment in equities should never exceed 55%. No initial investment should exceed 7.5% of the total value of funds and the total sum of all equity holdings in excess of 5% must not equal or exceed 40% of the fund's value at any time. Trustees have prohibited direct investment in derivatives and any tobacco related investments.

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At 31 March 2018 the policy, benchmark and actual asset allocation stood at:

	Policy	Benchmark	Actual
Fixed Interest	25-45%	34%	32.4%
UK Equities	30-50%	40%	38.5%
Overseas Equities	5-15%	10%	13.3%
Property	4-8%	6%	5.6%
Infrastructure	0-8%	5%	4.2%
Cash	0-20%	5%	6.0%

The total return performance for the year was 3.2%, higher than the benchmark of 1.8% for this year but far lower than the previous twelve months return of 14.0%. This result reflects a year of change where we saw unrealised gains wiped out in the last quarter due to the return of volatility to the markets. There were many reasons for this, largely around global political issues, wage inflation and technology stocks. The realised and unrealised losses on our investments in the year were £88k (2017: gain £1,098k). Investment income fell slightly during the year to £491k (2017: £499k) which we consider to be within reasonable variation but will keep under review. Despite the poor result for the year and recent volatility, long term trends are still positive and global growth remains robust and we recorded unrealised gains post balance sheet on the portfolio.

Bond portfolio:

The bond portfolio mix is restricted to fixed interest and cash as its purpose is to provide stable cash based funds from which we can draw down at short notice if required.

At 31 March 2018 the policy, benchmark and actual asset allocation stood at:

	Policy	Benchmark	Actual
Fixed Interest	80-90%	90%	88%
Cash	10-20%	10%	12%

#### ***Review of Thames Hospice Retail Limited***

Thames Hospice Retail Limited is a wholly owned trading subsidiary of Thames Hospice.

During the financial year, the company acted as agent for the sale of donated goods made under the HMRC gift aid scheme and a variety of new goods were also sold through the company. This was the first full year of trade in the new range of purchased goods that was expanded to include accessories to complement our donated clothing and accessory sales and some homewares and toiletries in addition to the Christmas card sales of previous years. The sales were successful, showing increases in most of our 18 stores and providing us with a good benchmark for future years.

The company's results for the 2017/18 financial year show a small profit of £5k and an equivalent gift aided distribution made to Thames Hospice for the year (2017: £1k). The directors are comfortable that the Retail



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Company is a going concern and the directors will keep under review the sales and margins generated by the new goods and stock management as transaction volumes increase.

## **Structure, governance & management**

### **Group Structure**

The charity is a Company Limited by Guarantee, registered in England. In 2005 the charity then known as Thames Hospicecare was formed following the merger of Thames Valley Hospice and the Paul Bevan Cancer Foundation. The merged charity rebranded to become Thames Hospice in 2013 with the change of name approved by Companies House in September of that year.

The Company operates under a Memorandum and Articles, amendments to which were approved by the trustees on 4 September 2014.

#### ***Thames Hospice Retail Limited***

The issued share capital of this company is held by the charity. This company is used to process sales of new goods sold through the charity's retail outlets and to account for commission on gift aided goods donated to the charity for resale through the charity's retail outlets.

#### ***Thames Valley Hospice and Paul Bevan Cancer Foundation***

These charities remain as "shell" charities in order that they may still legally receive legacies and other general donations. The trustees of both shell charities have resolved to make a grant of any monies they receive for Thames Valley Hospice and the Paul Bevan Cancer Foundation to the benefit of Thames Hospice.

#### ***Related and other connected parties***

The charity is supported by its subsidiary retail company. Charitable Trusts, fundraising support groups and individuals also raise money for the Hospice via charity events, individual donations and legacies.

NHS – The charity has a close relationship with the local NHS commissioners who provide essential funding towards the operating costs of the charity in the form of grants. Also in the financial year ended 31 March 2018 they commissioned two fully funded services from the charity to enable the hospice to provide further services to the community. We set up a 24 hour helpline and rapid response service to support patients and their carers in their own homes and we also expanded our lymphoedema treatment service to include all East Berkshire patients requiring this. Excluding these fully funded services, our NHS grants contributed £1,503k to the running costs of the hospice representing 30% of costs excluding income generation (2017: £1,489k was 32% of costs excluding income generation).

Thames Valley Hospice Charitable Trust (TVHCT) – This Trust exists to provide funds at its discretion, in support of Thames Hospice. The TVHCT did not share any trustees with Thames Hospice during the financial year.

Shell charities – Thames Valley Hospice and Paul Bevan Cancer Foundation – see above.

# **THAMES HOSPICE**

## **TRUSTEES' REPORT**

### **for the year ended 31 March 2018**

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## **Governance**

### ***Recruitment and Appointment of Directors and Trustees of Thames Hospice***

The directors of the Company also act as trustees of the Charity. Trustees are appointed for an initial period of 4 years, after which they may apply for re-election to serve a second period of 4 years. The second term of appointment may be extended for a further 12 months on an exceptional basis. The trustees appoint a Chair from within their number, who can also serve two periods of 4 years with the option for an exceptional extension of 12 months.

When a trustee retires every effort is made to replace him/her with a person of qualities and experience which will be relevant to the requirements of the charity. There is an open recruitment and selection process for all trustee vacancies which are advertised externally. Applications are reviewed by a Nominations Committee, comprising three trustees including the Chair of the Board, who consider and recommend applications to the Board. New trustees are then appointed by a majority decision of the Board. The Board of Trustees are detailed on page 49.

### ***Trustee Induction and Training***

Trustees undergo formal induction by spending time in the Hospice on the In Patient Unit, meeting individually with the Senior Management Team and attending meetings of the Committees of the Board. The Board identifies and meets the individual training and development needs of its trustees and has in place a framework for evaluating board performance.

The Board seeks at all times to follow best practice in line with the recommendations of the Charity Commission and the recently published Charity Governance Code. Training is provided as required and material made available to trustees as it is published. Recent training sessions for the whole Board included Fundraising and Safeguarding.

## **Organisation**

The Board of Trustees governs the charity and meets quarterly with the Chief Executive and Company Secretary in attendance. Other members of the Senior Management Team (SMT) are invited to join the Board as they wish or if their input is required for a particular agenda item. The Board meets at least four times per year, but any trustee or the Company Secretary can call an extraordinary meeting by following due process.

Board meetings are informed by six quarterly sub-committees of the Board, each chaired by a trustee and whose membership comprises trustees and relevant members of the Senior Management Team. The Chief Executive attends all committee meetings. The sub-committees operating during the course of the year were: the Finance & Investment; Patient Care & Quality; HR; Income Generation & Marketing; PT5 New Build (regarding the new hospice build project) and Capital Appeal Committees. An additional Committee, the Nominations Committee, is also convened from time to time during the year as required, to deal with trustee recruitment and the terms and conditions for the Chief Executive and other members of the Senior Management Team.

# **THAMES HOSPICE**

## **TRUSTEES' REPORT**

### **for the year ended 31 March 2018**

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#### ***Trustee Advisors***

From time to time the trustees may appoint an advisor to a committee. This will be in order to meet a particular requirement that has been identified concerning matters specific to that committee relating to a project or area of concern for which external advice and knowledge are deemed necessary. Trustee advisors during the year are detailed on page 49.

#### **Management**

The management of the charity is delegated to the Chief Executive and the SMT who meet weekly. The members of the SMT are detailed on page 50.

#### ***Key management personnel***

The trustees consider the Board of Trustees and the SMT as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration or expenses were paid in the year (2017: £nil). Details of related party transactions are disclosed in Note 23 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Head of Governance and Quality prior to each quarterly Board meeting where they are reviewed and noted. In accordance with the Thames Hospice Articles of Association, the remainder of the trustees are responsible for assessing whether a trustee's interest gives rise to a conflict of interest and whether that conflict may require their exclusion from voting on a subject although they may still be permitted to take part in the discussions.

#### ***Reward policy***

The pay of the charity's SMT is agreed by the Nominations Committee. The pay of all other employees is reviewed by the SMT and annual pay awards approved by the Board of Trustees. Remuneration for new staff is benchmarked with similar roles and similar organisations by the HR Director and the remuneration for all posts kept under review in order to ensure the levels are fair and supportable. Our policy reflects the needs of the organisation, enabling us to recruit the most suitable staff and run the hospice effectively.

The Thames Hospice Reward Policy aims to ensure that reward and recognition practice underpins and supports our vision, mission, organisational values and strategic objectives while remaining legally compliant and reflective of recognised best practice. We are committed to ensuring that our salaries remain competitive in the labour market.

Thames Hospice does not recognise any formal external pay schemes (unless for employees protected by TUPE regulations) and salaries are set independently in accordance with appropriate benchmarking. For medical, clinical and other patient facing roles we track but are not curtailed by NHS pay bandings. For all other roles we aim to pay at least the median salary rate as published in the annual Hospice Rewards Salary Survey taking into account affordability and any other mitigating circumstances. We use Hospice HR Networks and other available published salary surveys to facilitate our approach to setting salaries to roles.



# **THAMES HOSPICE**

## **TRUSTEES' REPORT**

### **for the year ended 31 March 2018**

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#### ***Strategy and planning***

An annual Operating Plan, in the wider context of our five year Strategic Plan, is prepared by the Chief Executive and SMT prior to the beginning of the financial year and is discussed and approved by the trustees, providing an opportunity for their strategic input. Performance against the agreed aims and objectives for the year is monitored quarterly by each governing Trustee Committee and by the full Board.

Budgets are produced annually and presented to the Finance Committee and then the full Board for approval. Performance against budget is then reviewed monthly through the management accounts process. Full year reforecasts are completed after the second and third quarters each year to ensure we are mapping our progress towards a final year result.

A ten year financial plan is compiled and updated regularly in order to provide a more long term view of the charity's sustainability. The results of this planning have informed the decisions made over the building of the new hospice and constant review of the numbers helps the SMT and Board to make proactive assessments of, for example, new income streams, organisational change and cash flow.

#### ***Fundraising***

Thames Hospice relies on the support of our local community to help us raise the vital funds we need to continue to provide our care free of charge for those in need. We are committed to delivering the highest standards in fundraising and in response to the greater need for transparency and formal regulation, Thames Hospice has published its own Fundraising Promise. This is available on our website. We take our responsibilities in this area seriously and strive at all times to meet best practice standards and to adhere to all voluntary codes of conduct. We are members of the Institute of Fundraising (IOF) and registered with The Fundraising Regulator (FR).

Thames Hospice has developed a set of metrics based on the Institute of Fundraising Code of Fundraising Practice. The metrics have two functions:

- To confirm Thames Hospice is compliant with the standards expected of fundraisers and
- To measure and report against specific elements of fundraising practice at Thames Hospice.

The trustees review these metrics at each quarterly Board meeting to ensure the hospice is carrying out all fundraising activities according to the Code and complying with the underlying principles of openness, honesty and respectfulness.

We employ a third party to carry out face to face lottery canvassing. They are also instructed according to IOF and FR codes and regulations and we ensure that they are acting with respect to members of the public and safeguarding potentially vulnerable persons. We also employ a company to call lottery players whose membership has expired to ask if they will renew; they have been similarly instructed and are appropriately monitored. All other fundraising is carried out by the Thames Hospice staff team who are trained and managed according to IOF and FR rules and best practice.

Thames Hospice has a Fundraising Complaints Policy which is available on our website. We take any complaints received very seriously and they are reviewed and acted upon by the Director of Fundraising and their team; they are also reviewed by the Board. During the year the Fundraising team received 4 complaints (2017: 6) which were all dealt with in-house; none were reportable to the regulator.

# **THAMES HOSPICE**

## **TRUSTEES' REPORT**

### **for the year ended 31 March 2018**

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#### ***Controls***

Supporting the governance and management of Thames Hospice we have a comprehensive set of policies and procedures which are published and reviewed on a regular basis and controlled by our Head of Governance and Quality. Policy review is set at an appropriate number of years but will be overridden by changes in processes or external requirements which necessitate a change in policy. All staff are trained in information governance as part of their mandatory training which also includes equality and diversity, health and safety and manual handling.

In addition to the suite of policies we have a series of management tools that we use to ensure control over the running of the hospice, including a comprehensive health and safety action plan, governance committee, incident and accident reporting, and our risk register.

During 2017/18 we set up a steering group to assess and plan for the introduction of the General Data Protection Regulations (GDPR) in May 2018. We are GDPR ready and all relevant policies and forms have been updated to ensure compliance.

#### ***Safeguarding***

Safeguarding is a key governance priority for all charities, not just those working with groups traditionally considered at risk. Thames Hospice takes its responsibilities very seriously and provides safeguarding training for all trustees and senior management and relevant staff and volunteers.

The Hospice has a suite of policies and measures in place to address the safeguarding of all individuals who come into contact with us, whether as patients, family members, staff or volunteers. These include a Safeguarding Policy for patients, HR Policies including Volunteer Policies, an Accident and Incident Reporting Policy and a Whistleblowing Policy. The Accident and Incident Reporting Policy and the Whistleblowing Policy both ensure full investigation of reported events. All Hospice policies are subject to regular review and updating. HR policies include strict recruitment processes that are in place to check the probity of all new employees, including mandatory DBS checks and the checking of references. The Hospice policy towards employing young volunteers (those under 18) has been reviewed, and where required changes have been implemented.

#### ***Risk Management***

The charity uses a formal review process to analyse and manage the risks to which the charity is exposed in the course of its activities, both strategic and operational, through a risk register and embedding risk identification into the annual planning process.

All significant risks are identified, along with the likelihood of such risks occurring and the predicted level of impact, together with mitigation measures. These are reviewed quarterly by the Senior Management Team and Board sub committees with key risks accelerated to the Board itself.

We continually review risk management and governance within all areas to ensure that identified risks are addressed and the learning is continuous. New projects are also assessed specifically for the associated risk as project plans are made.

# THAMES HOSPICE

## TRUSTEES' REPORT

### for the year ended 31 March 2018

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#### *Complaints*

Thames Hospice has a complaints policy published on our website. Any reports of unsatisfactory treatment or behaviour are taken extremely seriously and referred initially to our Head of Governance and Quality and the responsible SMT member for further investigation and action. The exception to this is if the complaint is due to Fundraising and in this instance the complaint will be investigated first by the Director of Fundraising. The complaints policy is audited as part of our annual audit programme run by our Governance team.

During the year we received 3 (2017: 2) clinical complaints, 4 (2017: 6) fundraising and 10 (2017: 15) retail. All were considered by our Head of Governance and Quality and the responsible SMT member and dealt with in house. None were reportable to the appropriate regulators.

#### *Incidents and Accidents*

All incidents and accidents are reported to our Head of Governance and Quality and reviewed monthly by the Incidents and Accidents review panel comprising the Chief Executive, the Director of Patient and Family Services, the Director of Retail and the HR Director. Associated actions are identified and monitored with reports going to the appropriate committees and Board. Thames Hospice also employs an external Health and Safety advisor to provide training and guidance in this area.

#### *Environmental policy*

Thames Hospice strives at all times to consider the environmental impact of what we do and minimise any negative effect that we might have. Staff have recycle bins located in offices and kitchens and they are encouraged to recycle wherever possible. Retail vans are routed to use the lowest mileage possible when collecting and delivering. Suppliers are expected to demonstrate similar principles.





# THAMES HOSPICE

## TRUSTEES' REPORT

### for the year ended 31 March 2018

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#### *Our staff and volunteers*

We know that our most important and valuable resource is our people. Whether they are paid staff or volunteers we value their support and commitment equally and we recognise that without them Thames Hospice would not be the charity that it is. We support, manage, develop and utilise the talents of our staff and volunteers, so that they are empowered and committed to delivering our strategic aims.

HR objectives include comprehensive training and development programmes to deliver a variety of staff training, both clinical and non-clinical. We run a series of mandatory training such as health & safety and governance but also offer training on areas such as managing and recognising stress at work, managing mental health at work and building effective and respectful relationships at work. Delivery against our objectives is overseen by the HR Committee and reported to the Board.

We also provide a comprehensive communication programme for staff including a staff forum where they can provide feedback or ask questions through their representatives. We hold SMT roadshows where the SMT will brief staff on how we are performing and what to expect in the future; staff have the opportunity to raise queries and comment on the plans and results they are shown. Other forms of information sharing and discussion are staff newsletters, Schwartz sessions (multi-disciplinary discussion groups) and invitations to tea with SMT.

#### *Valuing our volunteers*

The charity benefits from the support of nearly 600 volunteers who undertake a range of activities on behalf of Thames Hospice, including working in our retail shops, driving patients to and from day therapy appointments, sorting our donated stock and staffing our reception desks. Qualified counsellors also volunteer in the Hospice, providing professional counselling support to patients and families.



As at 31 March 2018 we had 571 volunteers working in a variety of roles in the charity. To date we have presented 109 volunteers with long service certificates for 10, 20 or 30 years service and 152 volunteers with certificates for 5 years service. Our Head of Volunteering has responsibility for these awards and organises events such as our volunteer week tea event at Dorney Lake where we celebrate the importance of the work



# THAMES HOSPICE

## TRUSTEES' REPORT

### for the year ended 31 March 2018

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that our volunteers do. A programme of induction and ongoing training is also in place to enable our volunteers to carry out their roles safely and effectively and to ensure they gain the most out of their experience with us.

We fully acknowledge the role of volunteers and how valuable they are to the charity. We estimate that they worked nearly 78,000 hours in the last year, equivalent to nearly £690k in potential staff costs. Their contribution to the charity is immense and we are most grateful to them for their hard work and commitment to Thames Hospice.

#### *Diversity and equal opportunities*

The Hospice is committed to an equal opportunities approach in everything it does. This means that we seek to ensure anyone connected with Thames Hospice, from patients and families to donors, supporters, volunteers and staff, are treated fairly and appropriately. All staff and volunteers undertake mandatory equality and diversity training to ensure that these principles are embedded in our culture.

### Statement of Trustees' Responsibilities

The trustees (who are also directors of Thames Hospice for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to Charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure of the charitable group for that period. In preparing these financial statements the trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the Charities SORP (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and that enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**THAMES HOSPICE**  
**TRUSTEES' REPORT**  
**for the year ended 31 March 2018**

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**Statement as to disclosure of information to the auditor**

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

**Auditors**

The auditors, Saffery Champness LLP, have indicated their willingness to continue in office.

The Trustees' Report and incorporated Strategic Report were approved by the Board of Trustees on 20 September 2018 and were signed on its behalf by Ken Coppock, Trustee.

Signed:



Date: 20/9/18

# **THAMES HOSPICE**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES**

### **for the year ended 31 March 2018**

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We have audited the financial statements of Thames Hospice for the year ended 31 March 2018 which comprise the group statement of financial activities, the group and charity balance sheets, the group cash flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 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 financial statements section of our report. We are independent of the group and the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We 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 financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the 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 financial statements are authorised for issue.

#### **Other information**

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

# **THAMES HOSPICE**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES**

### **for the year ended 31 March 2018**

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

We have nothing to report in this regard.

#### **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 which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report, which includes the Directors' Report and the Strategic Report, has been prepared in accordance with applicable legal requirements.

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

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

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

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 24, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.



# THAMES HOSPICE

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES for the year ended 31 March 2018

In preparing the financial statements, 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 financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### Use of our Report

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



.....  
Liz Hazell (Senior Statutory Auditor)  
For and on behalf of

Saffery Champness LLP	71 Queen Victoria Street
Chartered Accountants	London
Statutory Auditors	EC4V 4BE

Date: 25 September 2018

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# THAMES HOSPICE

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account) for the year ended 31 March 2018

		Un- restricted Funds	Restricted Funds	Total 2018	Un- restricted Funds	Restricted Funds	Total 2017
	Note	£000	£000	£000	£000	£000	£000
<b>Income from:</b>							
Donations and legacies	2	5,645	317	5,962	3,152	53	3,205
Charitable activities	3	256	-	256	250	-	250
Other trading activities	4	2,286	-	2,286	2,064	-	2,064
Investment income	5	491	-	491	500	-	500
Other income	6	97	-	97	660	-	660
<b>Total Income</b>		8,775	317	9,092	6,626	53	6,679
<b>Expenditure on:</b>							
Raising funds	7	3,943	-	3,943	3,661	-	3,661
Charitable Activities	7	4,090	25	4,115	3,263	33	3,296
<b>Total Expenditure</b>		8,033	25	8,058	6,924	33	6,957
Net income/(expenditure) before investment gains/(losses)		742	292	1,034	(298)	20	(278)
Net (losses)/gains on investments		(88)	-	(88)	1,098	-	1,098
<b>Net income</b>		654	292	946	800	20	820
Transfers between funds		44	(44)	-	61	(61)	-
<b>Net Movement in Funds</b>	10	698	248	946	861	(41)	820
<b>Reconciliation of Funds:</b>							
Total funds brought forward	18	19,988	62	20,050	19,127	103	19,230
<b>Total funds carried forward</b>		20,686	310	20,996	19,988	62	20,050

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended are derived from continuing activities. The notes on pages 32 to 48 form part of these financial statements.

**THAMES HOSPICE**  
**BALANCE SHEETS**  
as at 31 March 2018

Registered Company No: 5316964

		Group	Charity	Group	Charity
	Note	2018	2018	2017	2017
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	13	4,959	4,959	4,485	4,485
Investments	14	14,327	14,327	13,646	13,646
		<b>19,286</b>	<b>19,286</b>	<b>18,131</b>	<b>18,131</b>
<b>Current assets</b>					
Stocks	15	62	-	38	-
Debtors	16	1,917	1,982	1,113	1,148
Cash at bank and in hand		597	590	1,432	1,431
		<b>2,576</b>	<b>2,572</b>	<b>2,583</b>	<b>2,579</b>
<b>Creditors: amounts falling due within one year</b>	17	<b>(866)</b>	<b>(864)</b>	<b>(664)</b>	<b>(663)</b>
<b>Net current assets</b>		<b>1,710</b>	<b>1,708</b>	<b>1,919</b>	<b>1,916</b>
<b>Total assets less current liabilities</b>		<b>20,996</b>	<b>20,994</b>	<b>20,050</b>	<b>20,047</b>
<b>Net assets</b>		<b>20,996</b>	<b>20,994</b>	<b>20,050</b>	<b>20,047</b>
<b>Restricted funds</b>	18	<b>310</b>	<b>310</b>	<b>62</b>	<b>62</b>
<b>Unrestricted funds</b>	18	<b>20,686</b>	<b>20,684</b>	<b>19,988</b>	<b>19,985</b>
<b>Total Funds</b>		<b>20,996</b>	<b>20,994</b>	<b>20,050</b>	<b>20,047</b>

As permitted by Section 408 Companies Act 2006 the parent charity has not presented its own SOFA. The charity's surplus for the year was £947k (2017: £819k).

The Financial Statements on pages 29 to 48 were approved and authorised for issue by the Board of Trustees on 20 September 2018 and were signed on its behalf by Ken Coppock, Trustee.

Signed:



**THAMES HOSPICE**  
**CONSOLIDATED CASHFLOW STATEMENT**  
**for the year ended 31 March 2018**

		<b>2018</b>	<b>2017</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>Net cash provided by continuing operating activities</b>	<b>20</b>	<b>231</b>	<b>(767)</b>
<b>Cashflows from Investing Activities:</b>			
Investment income		<b>491</b>	500
Surrender of Paul Bevan Ascot lease		-	606
Purchase of tangible fixed assets		<b>(788)</b>	(608)
Purchase of investments		<b>(2,858)</b>	(1,782)
Sale of investments		<b>2,089</b>	1,837
<b>Net cash used in investing activities</b>		<b>(1,066)</b>	553
Change in cash & cash equivalents in the year		<b>(835)</b>	(214)
Cash & cash equivalents at the beginning of the year		<b>1,432</b>	1,646
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>21</b>	<b>597</b>	<b>1,432</b>



# **THAMES HOSPICE**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **for the year ended 31 March 2018**

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#### **1 Accounting policies**

##### **Basis of preparation**

The Financial Statements are prepared under the historical cost convention with the exception of investments which have been included at fair value.

The Financial Statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)(Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Thames Hospice meets the definition of a public benefit entity under FRS102.

The financial statements have been prepared on a going concern basis. There are no material uncertainties about the charity's ability to continue.

The group statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its wholly owned subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

##### **Fund accounting**

General funds are unrestricted funds that 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 financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions or which have been raised by the charity for particular purposes.

##### **Income**

All incoming resources are included in the SOFA when the charity is entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donation income is received by way of grants, donations and gifts and is included in full in the SOFA when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Legacies are recognised when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. Where the conditions for recognition are not met, the charity maintains a legacy pipeline. However, as these are not readily quantifiable they are not disclosed in these accounts.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services by volunteers has not been included in these accounts.
- Goods donated for resale through the charity's shops are included as incoming resources within Other Trading Activities when they are sold.

# THAMES HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2018

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- Investment income is included when receivable.

#### Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of raising funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shops.
- Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Central support services costs comprise those costs associated with Finance, HR, IT, governance and support such as maintenance, housekeeping and utilities.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.
- The charity makes an accrual for outstanding holiday pay at the end of the financial year.

#### Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation of fixed assets is charged by annual instalments commencing in the year of acquisition at rates estimated to write off their cost less any residual value over their expected useful lives which are as follows:

- |                          |                   |
|--------------------------|-------------------|
| • Freehold property      | 20-50 years       |
| • Leasehold buildings    | over lease period |
| • Leasehold improvements | over lease period |
| • Plant and machinery    | 5-10 years        |
| • Office equipment       | 5 years           |
| • Fixtures and fittings  | 5 years           |
| • Computer equipment     | 3 years           |
| • Motor vehicles         | 4 years           |

Assets in the course of construction are not depreciated. Assets costing less than £1,000 are written off in the SOFA in the period of acquisition.

#### Investments

Investments are stated at fair value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

#### Stocks

Stocks of goods for resale are primarily donated goods to the charity and therefore have no value in the accounts until they are sold. Thames Hospice does not have a stock recording system for donated goods. New goods purchased for resale by the subsidiary company are valued at the lower of cost and net realisable value.

# THAMES HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2018

#### Pensions Costs

The Charity makes defined contribution payments into pension schemes on behalf of its employees. Contributions payable for the year are charged to the SOFA. The Charity also participates in the NHS Superannuation Scheme, which provides benefits based upon final pensionable pay. The assets of the scheme are held separately from those of the Hospice and are independently administered. The fund is valued every 5 years by the Government Actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs, which are not significant, are charged to the Hospice's Statement of Financial Activities in the period to which the salaries on which they are payable relate.

#### Operating leases

Rentals applicable to operating leases are charged in the SOFA over the period in which the cost is incurred.

#### Financial Instruments

Financial instruments (see also Note 21) are all considered to be cash convertible and are valued as follows:

Bank and cash balances – amount held at the balance sheet date

Debtors and creditors – settlement amount after discounts and payments in advance

Investments – market value at the balance sheet date

#### Critical Estimates and Judgements

In the process of applying the Charity's accounting policies, management has made judgements, some of which have a significant effect on the amounts recognised in the financial statements. The key material assumption this year relates to the capitalisation of fees and other costs relating to the new hospice build. Planning permission has been granted for the new build in Bray and we have capitalised all fees as Assets Under Construction. They have not been depreciated and will be held in this asset category until the build has been completed and is occupied at which point all costs associated with the build including all future construction costs will transferred to a depreciable asset category and depreciation commenced.

## 2 Donations and Legacies

	Un- restricted Funds £000	Restricted Funds £000	2018 £000	Un- restricted Funds £000	Restricted Funds £000	2017 £000
Community fundraising and committed giving	579	-	579	597	-	597
Donations and appeals	1,176	317	1,493	1,055	53	1,108
Legacies	1,746	-	1,746	217	-	217
Core grant funding	2,144	-	2,144	1,283	-	1,283
	5,645	317	5,962	3,152	53	3,205

Legacies include amounts bequeathed to Thames Valley Hospice passed on to Thames Hospice with the approval of the respective trustees.

**THAMES HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

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**3 Income from Charitable Activities**

	Unrestricted funds 2018 £000	Unrestricted funds 2017 £000
Education and training	26	21
External service provision	8	10
Continuing health	210	207
Catering	12	12
	<b>256</b>	<b>250</b>

**4 Income from Other Trading Activities**

	Unrestricted funds 2018 £000	Unrestricted funds 2017 £000
Events	212	160
Lottery income	174	170
Sales of donated goods	1,706	1,576
Sales of new goods	194	158
	<b>2,286</b>	<b>2,064</b>

**5 Investment Income**

	Unrestricted funds 2018 £000	Unrestricted funds 2017 £000
Income from investments	491	499
Bank interest receivable	-	1
	<b>491</b>	<b>500</b>



**THAMES HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

**6 Other Income**

	Unrestricted funds 2018 £000	Unrestricted funds 2017 £000
Ascot (see note below)	-	606
Other income	97	54
	<b>97</b>	<b>660</b>

Other income during the year was largely the result of a pension rebate from the East Berkshire CCGs payable for Thames Hospice staff who are members of the NHS pension scheme and a small number of insurance payments relating to patients who had suffered from mesothelioma.

During the prior year we surrendered the lease we held on the Paul Bevan Day Centre land in Ascot. This disposal resulted in a payment to us in settlement of the lease and a net gain of £606k after writing off all associated assets which the trustees designated to be used in the building of a new Paul Bevan Centre which forms an integral part of the new hospice plans.

**7 Costs of Raising Funds and Charitable Activities**

	Staff related costs £000	Premises £000	Other £000	Total 2018 £000	Total 2017 £000
<b>Costs of Raising Funds</b>					
Direct costs	1,734	642	754	<b>3,130</b>	2,772
Central services support costs - Note 8	407	190	216	<b>813</b>	889
	<b>2,141</b>	<b>832</b>	<b>970</b>	<b>3,943</b>	<b>3,661</b>
<b>Costs of Charitable Activities</b>					
Direct costs	2,832	7	444	<b>3,283</b>	2,508
Central services support costs - Note 8	416	195	221	<b>832</b>	788
	<b>3,248</b>	<b>202</b>	<b>665</b>	<b>4,115</b>	<b>3,296</b>

**THAMES HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

**8 Central Services Support Costs**

Our Central services support costs comprise the following:

	<b>Unrestricted funds 2018</b>	<b>Unrestricted funds 2017</b>
	<b>£000</b>	<b>£000</b>
Finance, including depreciation	<b>616</b>	635
Governance and Chief Executive costs	<b>230</b>	208
Information Technology	<b>169</b>	151
Human Resources	<b>277</b>	299
Support Services	<b>353</b>	384
	<b>1,645</b>	1,677

All costs are apportioned to either the costs of Raising Funds or Charitable Activities on the basis of the direct costs charged to each category. The result is shown in Note 7.

**9 Employee information**

The average number of persons employed by the group (including bank staff) during the period was as follows:-

	<b>2018 No.</b>	<b>2017 No.</b>
Fundraising	<b>13</b>	13
Management and administration	<b>22</b>	17
Retail	<b>67</b>	63
Direct patient care	<b>130</b>	106
	<b>232</b>	199

The average full time equivalent numbers of persons employed by the group during the period was as follows:-

	<b>2018 No.</b>	<b>2017 No.</b>
Fundraising	<b>11</b>	11
Management and administration	<b>19</b>	15
Retail	<b>54</b>	51
Direct patient care	<b>75</b>	59
	<b>159</b>	136

# THAMES HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2018

The aggregate payroll costs of these persons were as follows:-

	2018	2017
	£000	£000
Wages and salaries	4,561	3,821
Social security costs	393	330
Pension contributions (see note 24)	264	211
	<b>5,218</b>	<b>4,362</b>

Staff costs include “bank nurses”, whom the Hospice views as an essential staff resource. Also included are redundancy and termination payments of £24k relating to five members of staff whose employment was terminated during the year (2017: £9k, five members of staff).

The number of employees whose emoluments exceeded £60,000 was:	2018	2017
	No.	No.
£60,001 - £70,000	3	1
£70,001 - £80,000	-	1
£80,001 - £90,000	2	1

Pension contributions were made in respect of the above employees totalling £42k (2017: £27k). Three of the above staff are members of the SMT and two are on our medical team.

Our key management staff comprises our Board of Trustees, see page 49, and our Senior Management Team (SMT), see page 50. None of our trustees received any remuneration or expenses during the year (2017: nil). The aggregate staff costs of the SMT were £528k (2017: £475k) including national insurance and pension costs. Included in the SMT costs are some contractor costs relating to our Medical Director who is employed by Frimley Health Trust and costs relating to our temporary Director of Fundraising, a contractor employed via Comptons. These costs are included here but are outside the scope of the payroll costs disclosed above.

Based on full time equivalent salaries for permanent staff, the multiplier from median to highest salary is 4.0 (2017: 3.8).

Although the trustees receive no remuneration for their services, Thames Hospice does procure Trustee Indemnity insurance on their behalf. The premium paid in the year was £1,382 (2017: £1,375).

**THAMES HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

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**10 Net Movement in Funds**

	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Net income is stated after charging:</b>				
Depreciation	<b>314</b>	<b>314</b>	468	468
Auditor's remuneration:				
- As auditor (excluding VAT)	<b>23</b>	<b>23</b>	28	28
- Other services (VAT and corporation tax advice)	<b>1</b>	-	1	-
Operating lease charges on retail units and printers	<b>528</b>	<b>528</b>	450	450

**11 Taxation**

The Parent Company is a Registered Charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Thames Hospice Retail Limited is registered for VAT, and consequently all its income and expenditure is recorded net of VAT. Ordinarily, Thames Hospice Retail Limited gift aids all of its taxable profits to the charity, thereby resulting in no liability to corporation tax. For the year ended 31 March 2018 all profits were gift aided to Thames Hospice so there was no profit chargeable to corporation tax within Thames Hospice Retail Limited (2017: £nil).

**12 Net Result of Trading Subsidiary**

The Charity owns the whole of the ordinary share capital, consisting of 2 ordinary shares of £1 each, of Thames Hospice Retail Limited (Company number 2100844) which acts as agent under the HMRC gift aid scheme for goods donated to and sold by the charity. It also bought and sold a range of new goods, primarily accessories, small gifts and Christmas cards. Ordinarily, the subsidiary distributes any taxable profits under gift aid to the Charity each year. For the year ended 31 March 2018, it made a small profit of £5k which was distributed to Thames Hospice under gift aid rules (2017: £1k). Its trading results, as extracted from the audited Financial Statements, are summarised below:



**THAMES HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Turnover</b>	<b>787</b>	<b>681</b>
Cost of sales	<b>(103)</b>	<b>(81)</b>
<b>Gross profit</b>	<b>684</b>	<b>600</b>
Administrative expenses	<b>(679)</b>	<b>(599)</b>
<b>Profit on ordinary activities before taxation</b>	<b>5</b>	<b>1</b>
Distributed to charity holding company	<b>(5)</b>	<b>(1)</b>
<b>Retained in subsidiary</b>	<b>-</b>	<b>-</b>

The assets and liabilities of the trading subsidiary were:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Current assets	<b>101</b>	<b>46</b>
Creditors: amounts falling due within one year	<b>(99)</b>	<b>(43)</b>
Total net assets	<b>2</b>	<b>3</b>
Aggregate share capital and reserves	<b>2</b>	<b>3</b>

**THAMES HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

**13 Tangible fixed assets**

Group And Charity	Freehold property	Leasehold property	Machinery & Equipment	Fixtures & fittings	Computer equipment	Vehicles	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost</b>								
1 April 2017	4,901	734	1,175	531	324	87	339	8,091
Transfers	-	-	68	(68)	-	-	-	-
Additions	1	72	49	6	66	30	564	788
<b>31 March 2018</b>	<b>4,902</b>	<b>806</b>	<b>1,292</b>	<b>469</b>	<b>390</b>	<b>117</b>	<b>903</b>	<b>8,879</b>
<b>Depreciation</b>								
1 April 2017	1,385	396	1,061	423	263	78	-	3,606
Transfers	-	-	38	(38)	-	-	-	-
Charge for the year	107	75	55	30	39	8	-	314
<b>31 March 2018</b>	<b>1,492</b>	<b>471</b>	<b>1,154</b>	<b>415</b>	<b>302</b>	<b>86</b>	<b>-</b>	<b>3,920</b>
<b>Net book value</b>								
<b>31 March 2018</b>	<b>3,410</b>	<b>335</b>	<b>138</b>	<b>54</b>	<b>88</b>	<b>31</b>	<b>903</b>	<b>4,959</b>
31 March 2017	3,516	338	114	108	61	9	339	4,485

Assets under construction added during the year relate to fees incurred (e.g. architect and engineering fees) in the planning of our new hospice. In accordance with our accounting policy, they have not been depreciated.

**14 Investments**

	Group 2018 £000	Charity 2018 £000	Group 2017 £000	Charity 2017 £000
Securities and cash	14,327	14,327	13,646	13,646
Investment in group undertaking (see Note 12)	-	0	-	0
	<b>14,327</b>	<b>14,327</b>	<b>13,646</b>	<b>13,646</b>

**THAMES HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

	<b>2018</b>	<b>2017</b>
<b>Group and Charity securities and cash</b>	<b>£000</b>	<b>£000</b>
Assets brought forward at 1 April	<b>13,646</b>	12,603
Additions at cost	<b>3,022</b>	1,547
Movement in cash	<b>(164)</b>	235
Disposals	<b>(2,089)</b>	(1,837)
Realised and Unrealised investment (losses)/gains	<b>(88)</b>	1,098
<b>Market value at 31 March</b>	<b>14,327</b>	13,646

Investments comprise:-

	<b>2018</b>	<b>2017</b>
<b>Group and Charity</b>	<b>£000</b>	<b>£000</b>
Fixed interest securities:-		
- UK	<b>3,842</b>	4,055
Managed funds and unit trusts:-		
- UK	<b>10,182</b>	9,123
Cash on deposit	<b>303</b>	468
<b>Market value at 31 March</b>	<b>14,327</b>	13,646

**15 Stocks**

	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Stock held for resale	<b>62</b>	-	38	-

**THAMES HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

**16 Debtors**

	<b>Group 2018 £000</b>	<b>Charity 2018 £000</b>	<b>Group 2017 £000</b>	<b>Charity 2017 £000</b>
Amounts due from subsidiary undertaking	-	96	-	42
Other debtors	300	275	218	211
Prepayments and accrued income	1,617	1,611	895	895
	<b>1,917</b>	<b>1,982</b>	<b>1,113</b>	<b>1,148</b>

**17 Creditors: amounts falling due within one year**

	<b>Group 2018 £000</b>	<b>Charity 2018 £000</b>	<b>Group 2017 £000</b>	<b>Charity 2017 £000</b>
Trade creditors	545	543	120	120
Other taxation and social security	98	98	87	87
Accruals and deferred income	223	223	457	456
	<b>866</b>	<b>864</b>	<b>664</b>	<b>663</b>

**Deferred income**

Income is deferred to the extent that it relates to an event or activity that occurs in a subsequent accounting period.

	<b>Group 2018 £000</b>	<b>Charity 2018 £000</b>	<b>Group 2017 £000</b>	<b>Charity 2017 £000</b>
Brought forward	155	155	55	55
Deferred in the year	76	76	143	143
Released in the year	(155)	(155)	(43)	(43)
Carried forward at 1 April	<b>76</b>	<b>76</b>	<b>155</b>	<b>155</b>



# THAMES HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2018

#### 18 Funds

At 31 March 2018, funds are analysed as follows:

Unrestricted funds	Group 2018 £000	Charity 2018 £000	Group 2017 £000	Charity 2017 £000
At 1 April	19,988	19,985	19,127	19,125
Net movement in funds	698	699	861	860
At 31 March	20,686	20,684	19,988	19,985

The trustees have previously designated £10,635k of the group unrestricted funds for the future purposes detailed below along with the movements this year:

	At 1 April 2017 £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	At 31 March 2018 £000
Project Twenty Five (PT5) Fund	10,600	-	-	-	10,600
IT Development Fund	35	-	(27)	-	8
	10,635	-	-	-	10,608

The designated funds have been reviewed by the Finance and Investment Committee and the Board. It has been agreed that no further designation of funds is required for the year ended 31 March 2018.

The Project Twenty Five Fund for the new hospice build will be specifically used in the construction and equipping of the new hospice. The IT Development Fund has been largely used; projects continue into 2018/19 and the balance on this fund will be used during the year.

#### Restricted funds – Group & Charity

	2018 £000	2017 £000
At 1 April	62	103
Net movement in funds	248	41
At 31 March	310	62

The net movement in restricted funds is analysed as follows:

**THAMES HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	At 1 April 2017 £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	At 31 March 2018 £000
Patient Support Fund	6	-	(2)	-	4
Clinical Funds for equipment etc.	56	9	(23)	(31)	11
Comfort Appeal	-	51	-	(13)	38
PT5 New Build Capital Appeal	-	257	-	-	257
	<b>62</b>	<b>317</b>	<b>(25)</b>	<b>(44)</b>	<b>310</b>

The Patient Support Fund represents a donation made to support Day Therapy Unit patients. This is used to help with patient transport costs.

The Clinical Funds represent donations for training, equipment and supplies. Much of this has been spent this year on capital equipment for the In Patient Unit and thus has been transferred to the general fund in order to account for this.

The Comfort Appeal was a Fundraising initiative during the year that raised funds for providing the specialist mattresses that we use on the In Patient Unit to provide the best support to our patients during their stay with us. We have spent some of this money by the end of the year on capital items so £13k has been transferred to the general fund for the purchases.

The Capital Appeal was launched during the year and generated actual receipts of £257k and many additional pledges which we hope to receive in the coming year. The funds will be spent on the new hospice building.

**19 Analysis of Net Assets between Funds**

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Unrestricted funds £000	Restricted funds £000	Total 2017 £000
Fixed assets	19,286	-	19,286	18,131	-	18,131
Current assets	2,266	310	2,576	2,521	62	2,583
Creditors falling due within one year	(866)	-	(866)	(664)	-	(664)
	<b>20,686</b>	<b>310</b>	<b>20,996</b>	<b>19,988</b>	<b>62</b>	<b>20,050</b>

**THAMES HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

**20 Reconciliation of Operating Profit to Net Cash provided by Continuing Operating Activities**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Net income for the year	<b>946</b>	<b>820</b>
Depreciation on tangible fixed assets	<b>314</b>	<b>369</b>
Losses/(gains) on investments	<b>88</b>	<b>(1,098)</b>
Investment income	<b>(491)</b>	<b>(500)</b>
(Profit) on disposal of tangible fixed assets	<b>-</b>	<b>(313)</b>
(Increase) in stock including stock write offs	<b>(24)</b>	<b>(35)</b>
(Increase) in debtors	<b>(804)</b>	<b>(106)</b>
Increase in creditors	<b>202</b>	<b>96</b>
<b>Net cash provided by/(utilised in) continuing operating activities</b>	<b>231</b>	<b>(767)</b>

**21 Financial Instruments**

	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Financial assets/(liabilities) measured at amortised cost:</b>				
Cash at bank and in hand	<b>597</b>	<b>590</b>	<b>1,432</b>	<b>1,431</b>
Debtors	<b>1,917</b>	<b>1,982</b>	<b>1,113</b>	<b>1,148</b>
Creditors	<b>(866)</b>	<b>(864)</b>	<b>(664)</b>	<b>(663)</b>
<b>Financial assets included at fair value:</b>				
Investments	<b>14,327</b>	<b>14,327</b>	<b>13,646</b>	<b>13,646</b>

# THAMES HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2018

#### 22 Financial Commitments

At 31 March 2018, Thames Hospice had financial commitments under non-cancellable operating leases as follows:

	2018	2017
	Land and Buildings	Land and buildings
	£000	£000 restated
Due within one year	577	446
Due within two to five years	1,352	1,021
Due in more than five years	11	10
Total financial commitments	1,940	1,477

#### 23 Related Party Transactions

The trustees of Thames Hospice do not receive any remuneration and have not claimed any expenses during the year. During the year 11 trustees donated a total of £9,046 (2017: £6,951) to the charity. The majority of this amount relates to two trustees taking part in fundraising events, one in the China Trek and one in the Santa Dash. Together they raised a total of £5,943 by taking part in these events.

##### *Thames Hospice Retail Limited*

The charity has a wholly owned trading subsidiary, Thames Hospice Retail Limited. During the year there have been intercompany transactions between the two entities: Charged by the charity to the subsidiary - charges per the trading agreement in place for use of name and 3% of turnover, a proportion of the running costs of the charity retail division and an overhead recharge. The total of these transactions was £700k (2017: £618k). Charged by the subsidiary to the charity - commission on gift aided sales and a donor procurement charge. These totalled £593k (2017: £523k). At the year end a balance of £96k was owed by the subsidiary to the charity (2017: £42k). See also Note 16.

##### *Thames Valley Hospice*

Thames Valley Hospice is a charity under the control of the Thames Hospice trustees. All the assets, liabilities and operations of the charity were transferred to Thames Hospice with an effective date of 1 April 2005. The sole objective of the charity is to receive legacy income and other donations from future benefactors who have specified Thames Valley Hospice as a beneficiary in their wills. All legacies received by the charity are passed on to Thames Hospice. In the year ended 31 March 2018, legacies totalling £13,000 (2017: £2,603) were received and passed on.

There have been no other related party transactions during the year.

#### 24 Pension Commitments

The charity employees participate in two schemes:-



# **THAMES HOSPICE**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **for the year ended 31 March 2018**

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#### **Defined Contribution Scheme**

Thames Hospice participates in a defined contribution pension plan with Scottish Widows. The total pension cost for the period for the charity charged to the SOFA in respect of this scheme was £124k (2017: £114k).

#### **The NHS Superannuation Scheme**

For qualifying Thames Hospice staff, participation in the NHS scheme provides benefits based upon final pensionable pay. However, the contributions paid by the charity in respect of the NHS Superannuation scheme are accounted for as if the scheme were a defined contribution scheme as the charity is unable to identify its share of the underlying assets and liabilities in the scheme.

The total pension cost for the period for Thames Hospice was £140k (2017: £97k). The Government Actuary using the Projected Unit Method determines contributions charged to the SOFA.

The NHS Pension Scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State in England and Wales. As a consequence it is not possible for Thames Hospice to identify its share of the assets and liabilities of the underlying scheme.

#### *Accounting valuation:*

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2018 is based on valuation data as 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

#### *Full actuarial valuation:*

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers. The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

## **25 Capital commitments**

The Charity had a commitment to purchase land at Bray for the new hospice building valued at £195k as at 31 March 2018 (2017: £nil). The purchase was transacted in June 2018.

## **26 Controlling Party**

No one party has control of the Charity and its subsidiary.

**THAMES HOSPICE**  
**ADMINISTRATIVE DETAILS**  
**for the year ended 31 March 2018**

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**Legal and Administrative Information**

Charity Name:	Thames Hospice
Charity Registration Number:	1108298
Company Registration Number:	5316964
Registered and Principal Office:	Pine Lodge Hatch Lane Windsor SL4 3RW
Independent Auditors:	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers:	CAF Bank (Charities Aid Foundation) 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4TA
Investment Managers:	Investec Wealth & Investment Management Ltd 30 Gresham Street London EC2V 7QN
Our Board of Trustees:	Mr Martin Jervis (Chair) Mr Christopher Aitken Mrs Jacinta Ashworth Mr Ken Coppock Mr Robert Dwyer Mr Richard Goss (until 7 September 2017) Mr Jonathan Jones (Deputy Chair) Mr Stephen Moore Ms Margaret Neal Mr Craig Linton Mrs Lesley Rudd (from 7 September 2017) Mr Bruce Montgomery (from 7 September 2017) Mr Andy Ka (from 7 September 2017) Mr Stephen Avery (from 7 September 2017 to 17 April 2018) Dr Judith Kinder (from 4 December 2017)
Trustee advisors to committees:	Mr Justin Sullivan – advisor to the PT5 New Build Committee

**THAMES HOSPICE**  
**ADMINISTRATIVE DETAILS**  
**for the year ended 31 March 2018**

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*Our trustees*

**Our Senior Management Team are:**

Mrs Debbie Raven  
Ms Ruth Bartholomew  
Mrs Jackie Geeson  
Dr Cecily Wright  
Ms Jacquie Batchford  
Mrs Julie Rowley  
Vacant

Chief Executive  
Finance Director & Company Secretary  
Director of Human Resources  
Medical Director  
Director of Patient & Family Services  
Director of Retail  
Director of Fundraising

# Thames hospice

Quality of life, to the end of life

