

Charity number: 256789

# **St Barnabas Hospices (Sussex) Limited**

Registered number: 00930107

## **Trustees' report and financial statements**

**For the year ended 31 March 2019**

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**ST BARNABAS HOSPICES (SUSSEX) LIMITED**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY AND ADVISERS**

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<b>Trustees</b>	P Woolgar (Chair) M Godsmark (Honorary Treasurer) N Blanchard J Carnie (appointed August 2018) M Chowen A Clark P Gatley M Milling T Moss S Palma (appointed January 2019) D Pegler M Rymer R Taylor D Bunce (resigned January 2019) S Hollamby (resigned August 2018) D Jones (resigned December 2018)
<b>Company Registered no.</b>	00930107
<b>Charity Registered no.</b>	256789
<b>Registered Office</b>	St Barnabas House Titnore Lane Worthing West Sussex BN12 6NZ
<b>Company Secretary</b>	M Caunhye
<b>Auditor</b>	Kreston Reeves LLP 9 Donnington Park 85 Birdham Road Chichester, West Sussex PO20 7AJ
<b>Bankers</b>	National Westminster Bank PLC 5 Broadwater Street East Worthing West Sussex BN14 9AB
<b>Solicitors</b>	Blake Morgan New Kings Court Eastleigh SO53 3LG
<b>Investment Advisers</b>	Rathbones Investment Management Limited 159 New Bond Street London W1S 2UD
<b>Senior Management Team</b>	R Finley, Chief Executive Officer (appointed February 2019) M Caunhye, Finance Director S Smith, Director of Income Generation & Marketing C Stone, Clinical Director A Burt, Director of Adult Nursing (left July 2018) S Richards, HR Director (left April 2019) H Lowson, Chief Executive (left April 2019) A Thorne-Henderson, Chief Operations Officer (left March 2019)

**ST BARNABAS HOSPICES (SUSSEX) LIMITED**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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The Trustees present their annual report (including the requirements of the Directors' Report and Strategic Report) and accounts for the year ended 31 March 2019. These comply with the Companies Act 2006, St Barnabas Hospices (Sussex) Limited governing documents, which state that the charity's objective is to promote the relief of sickness and suffering, and with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as amended by Update Bulletin 1.

St Barnabas Hospices (Sussex) Limited includes the activities of St Barnabas House and Chestnut Tree House. It is a registered charity number 256789 and a charitable company with its registered office and other details noted on page 2.

St Barnabas Hospices (Sussex) Limited is regulated by the Care Quality Commission (CQC). The Care Quality Commission is the independent regulator of all health and social care services in England.

**OBJECTIVES AND ACTIVITIES**

At St Barnabas, we care for the whole person, aiming to meet all needs – physical, emotional, social and spiritual. A serious illness will have a social and emotional impact on the people involved as well as the physical effects. The team at St Barnabas has the skills to help.

Many people still think of a hospice as a place where people go to die, and while we do look after people in the last days of their lives, it is only a small part of what we do. Our other services include symptom management and pain relief, respite care and counselling for both the patient and their family. The hospice also has physiotherapists, an artist in residence, social workers and community and hospice at home teams, who support patients in their own homes.

We have the skill, knowledge and experience to make a difference to the lives of every single person and family in our community.

Chestnut Tree House is the children's hospice for East Sussex, West Sussex and South East Hampshire. We offer specialist palliative care to children and young people suffering from life-limiting and life-threatening illnesses. Life limiting means that the children are not likely to reach adulthood and includes disorders such as Muscular Dystrophy, Spinal Muscular Atrophy, multiple disabilities, cancer and progressive genetic disorders.

The hospice provides support for the whole family, offering psychological support, care following bereavement, end of life and respite care, and sibling support.

Our skilled nurses and care support workers provide care at the hospice or in the family's own home. Families can stay in the special family accommodation at Chestnut Tree House or leave their children in the capable hands of the care team while they take a few days' break. There are also activity days and outings during the holidays for the children and their siblings.

Chestnut Tree House has its own hydrotherapy pool, a multi-sensory room, music and computer rooms, and space for art and play therapy. The hospice offers families a home from home environment; it is a place of love, understanding and caring, a place of fun, laughter, hope, friendship and sometimes sadness - most of all, Chestnut Tree House is a place for living.

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**Public benefit**

All of the activities undertaken by the charity are to further its charitable purposes for the benefit of the public. The charity's mission statement reads as follows, "Our mission is to achieve dignity, comfort and choice for all children and adults facing the end of life".

The Trustees have complied with their duty under Section 17 of the 2011 Charities Act and have referred to Charity Commission guidance on public benefit. The main benefits, which have arisen during the year, as a result of the organisations aims and activities, are detailed in the following pages.

**STRATEGIC REPORT**

**The charity's vision, mission and value**

The trustees and staff of the charity conducted a strategic review during 2018/19. The review included revisiting and reaffirming the charity's vision, mission and values.

**Vision**

Anyone facing life-limiting illness should receive the care and support they deserve

**Mission**

St Barnabas House and Chestnut Tree House hospices seek to achieve dignity, comfort and choice for adults and children facing life-limiting illnesses through specialised supportive care

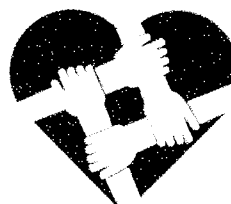
**Values**



**We are caring**



**We are courageous**



**We are connected**

Place children and adults, their families and carers at the heart of all we do

We care passionately about the difference we make

We have the courage to aspire to deliver excellence in all we do

We listen, connect with and understand the needs of the people we support and work with and ensure we respect their choices

We are inclusive and treat everybody with compassion, care, dignity and respect

We work as a team to motivate, encourage and support each other

We are ambitious, brave, and innovative and continually strive to improve our knowledge and skills

We are connected and work collaboratively with others through strong partnerships

**Strategic themes**

Throughout developing our plan, we identified four key areas to focus on during the next five years. The main strategic objectives are:-

- to be excellent in all we do with compassion, innovation and integrity
- to reach everyone who needs our help
- to become leaders and innovators in research and education
- to provide sustainable healthcare true to our values

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**Achievements and performance**

**St Barnabas House**

St Barnabas House opened in 1973 and since then we have cared for over 41,000 patients and their families. During the year, St Barnabas House provided care and support to 1,786 patients, including 1,183 newly referred patients, during the year. We care for people of all ages and last year 16% of our patients were under the age of 65 years.

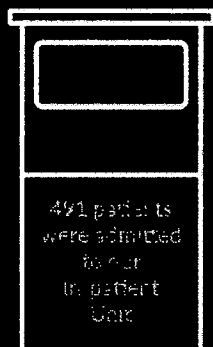
**Our care services**

During 2018 – 2019...



We cared for 1,786 patients

We had  
1,183 new  
referrals



491 patients  
were admitted  
to our  
inpatient  
Unit

We also offered support to families and those who lost a loved one through our Family Services Team.



330 Bereavement  
Volunteer Visitors

1,921 individual  
support and  
counselling  
sessions



978 attendances  
at bereavement  
groups and  
events

St Barnabas continues to pioneer new care services, alongside our existing service. We have again expanded our non-cancer specialist team and now have five specialist nurses who focus on supporting patients with end stage respiratory, liver, heart or renal diseases. Last year patients with a non-cancer diagnosis rose to 34% of the total number of people helped by the hospice

2019

"We would like to thank you for all your support on our journey with our dear mum throughout her illness. You provided us with practical support, reassurance and gentle care – nothing was too much trouble, you were always there at the end of the phone and so much more. The work you all do is nothing short of heroic."

2018

**Community Services**

Our Community Palliative Care Team are often the first point of contact, visiting people in their own homes and providing specialist advice and signposting to other hospice services.



14,116 telephone contacts with patients



4,690 visits to patients in their own homes

Our Community Companion volunteers visit patients in their own homes offering invaluable companionship, befriending and practical help for them and their families.

137 patients visited on a  
regular basis at home



**Hospice at Home**

In response to growing need, we have continued to expand our Hospice at Home service to support more people with end of life care in their own home.

370 people  
were  
supported  
at home



5,027  
visits to  
patients  
in their  
homes



377 night-  
time visits

**Day Services**

Each year hundreds of patients benefit from our day services, Outpatient clinics, wellbeing classes and complementary therapies.

319 Occupational  
and Physiotherapy  
sessions in patients'  
own homes



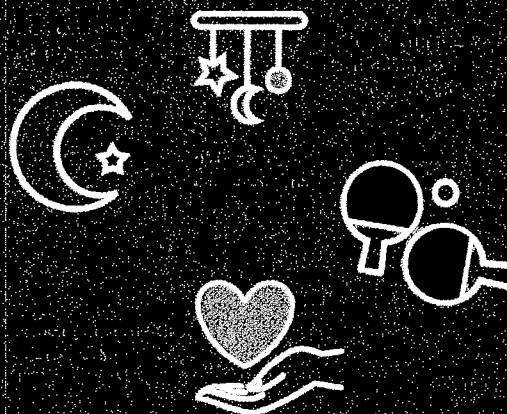
190 patients  
attended the Day  
Hospice

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2019

**Chestnut Tree House**

Opening in November 2003, Chestnut Tree House celebrated its 15<sup>th</sup> birthday during 2018. Over the past 15 years, we have accepted over 930 children into our care and we have supported 365 bereaved families since 2003. Chestnut Tree House has been generously supported by 95,000 people, organisations and companies over the past 15 years.

**Our care services for children**

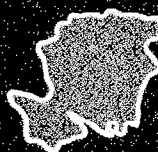


**Our Community service**

"Chestnut Tree House is such a wonderful place - the facilities, the grounds and the people are all amazing. It has everything kids need and want, and nothing is too much trouble for the staff there. When we come to stay, it allows us time to relax, safe in the knowledge that our daughter is happy and looked after."



"It's very warm; like a home, not a hospital setting. There's a fireplace as soon as you walk in and toys everywhere. Everything feels comfortable, like it's been built with love. There's a beautiful mural in the magic carpet room - it's things like that that make you feel like it is a really nice place for kids to come."



**ST BARNABAS HOSPICES (SUSSEX) LIMITED**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**Fundraising, Retail, Marketing & Communications**

Gross income (excluding legacies) for both hospices from all fundraising activity, donations, retail, trading and lottery totalled over £10m. This is 4% growth on the previous year and the underlying trends on our key income streams are mostly very positive. Legacy income was £4.95m, this is a drop on the previous year but still above budget.

Our hospice Lottery generated £1.4m direct net income and finished the financial year with a total of 38,277 weekly active playing memberships. The Lottery continues to be a key area of long-term investment and is one of the largest hospice lotteries in the UK providing a valuable and sustainable resource for funding our hospice care services.

Our Retail business generated sales of nearly £3m leading to £1,018k in direct net income (before the allocation of general central support costs), a 4% increase on the previous year. 15 out of 23 shops increased their sales over last year and 14 out of 23 shops increased their gross profit. We opened a new St Barnabas House shop in Shoreham which started to trade very successfully in the last quarter of 2018-19.

Recycling and rag income grew by 7% in a very challenging market through careful management. Gift Aid income on stock donations to our shops brought in £174k – 31% of all donated items sold were Gift Aided. Sales of new goods and Christmas cards in our shops and also online saw good growth. We continued to undertake mystery shopping exercises in the shops with good results. Our hard-working and talented Retail staff are wonderfully supported by hundreds of volunteers across all our shops.

Fundraising highlights of the year include strong results from community fundraising, events and donations for both hospices. The CTH Christmas appeal reached 500,000 Sussex households and St Barnabas' Light Up A Life and Sunflower campaigns both raised more than ever before. The St Barnabas House Christmas Appeal reached 75% of homes in our catchment area.

Pay-For-A-Day continues to be generously supported by individuals and corporates and our Snowman Spectacular Ball raised over £516,000 on the night for Chestnut Tree House. We are blessed with the support and loyalty of generous individuals and organisations and we thank them for their support for both hospices.

We depend on volunteers, especially for community fundraising and at our Hospice Events, and we are fortunate to have 1,861 active fundraising volunteers.

PR and media coverage is a priority for both hospices and we generated 1,283 items of print coverage and 1,788 items of online coverage. This coverage (which excludes all radio and broadcast mentions) carries an 'advertising equivalent value' of over £2.3m. Chestnut Tree House was shortlisted for a prestigious Institute of Fundraising national award – Best Regional Campaign – for the combined CTH Snowman campaign activity.

**Our Fundraising Practices**

Fundraising across the UK continued to be under the spotlight during 2018/19. We paid our memberships to the Fundraising Regulator and the Institute of Fundraising. Much time continued to be spent on data protection and GDPR during 2018. We have continued to closely manage all our out-sourced fundraising contracts and agencies (especially for our Lottery). We recorded a total of 76 complaints in the year about fundraising, these are monitored by our Income Generation Committee along with outsourced contracts and fundraising standards.

Talking to members of the public in person and speaking to existing supporters on the telephone along with writing to them are some of the most important ways to engage people with our work and raise vital funds. Our staff carry out these activities and we work with external organisations who have specific expertise for obtaining lottery members. We do this so we can talk to as many people as possible in the most cost-effective way.

We have robust contracts in place with external organisations specifying that staff who carry out these activities should be trained to adhere to applicable laws and codes, such as the Code of Fundraising Practice and the General Data Protection Regulation. Each new lottery member is called by an employee of the Charity to ensure they are happy to support our cause, this enables us to monitor the external organisations by obtaining direct feedback from the supporter that they were engaged with.



# ST BARNABAS HOSPICES (SUSSEX) LIMITED

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

We strive to ensure that our supporters have a great experience and that all supporters, including vulnerable people, are treated fairly. If we find cause for concern, we investigate as a matter of urgency.

#### Financial review

The results for the year are shown in the Statement of Financial Activities. Income totalled £18,497k (2018 - £19,025k) a 2.8% reduction from the previous year.

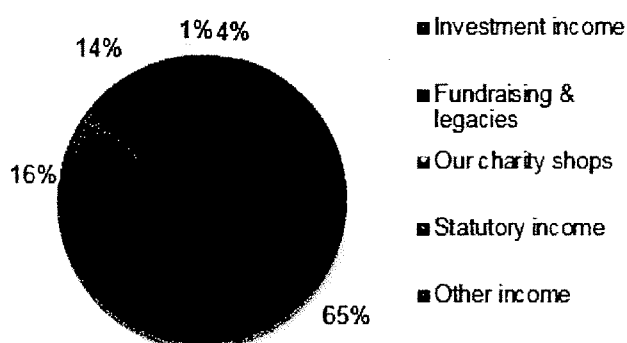
The charity received a grant from the Coastal West Sussex Clinical Commissioning Group (CCG) of £1,353k (2018 - £1,339k) for the adult hospice. The children's hospice received a grant from the Department of Health for £231k (2018 - £231k).

The charity continues to invest in the growth of its retail business, fundraising and contract income in order to continue to diversify income streams in light of both the changing healthcare funding environment and our own objective to ensure our services reach more people who need them.

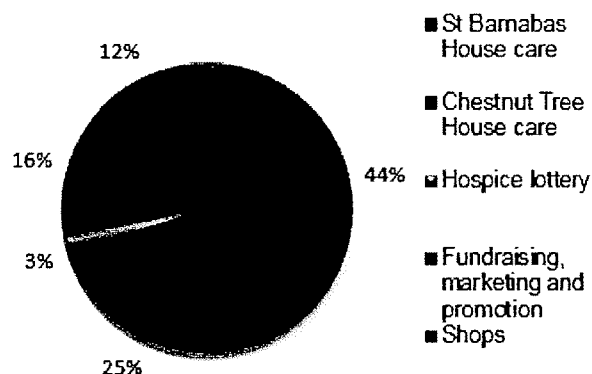
The level of income over expenditure, produced an operating deficit of (£813k), (2018 - £1,751k), before changes in the value of investments.

The increase in the stock market over the year resulted in an unrealised gain on investments of £1,258k (2018 - £282k). This non-cash unrealised gain on investments assisted in increasing the net movement on funds for the year to a surplus of £0.45m, (2018 - £2.03m).

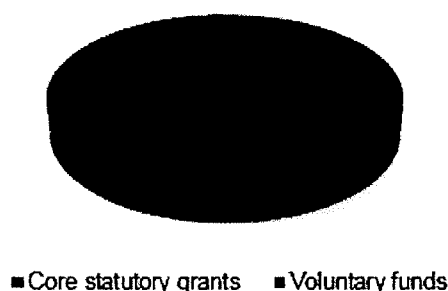
**Where our income came from**



**How we spent our money**



**How the care we provide is funded**



#### Reserves policy

The charity's income is heavily dependent on the public's generosity, with over 80% of income for the past year having been raised through voluntary sources and its charity shops. The Trustees recognise that unforeseen fluctuations in the flow of funds from the public could seriously diminish the organisation's ability to function on a day-to-day basis.

A key objective of the charity's services is not simply the provision of these services but the maintenance of care and support for the whole time that beneficiaries may need them. Clearly, the horizon for the extent of

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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such care is variable and can extend over a long period of time. The Trustees cannot countenance the risk that beneficiaries should ever have their care curtailed by purely financial considerations. The Trustees also consider it prudent and desirable to ensure that the risks and challenges faced by the charity in the short and medium term can be met without interruption to services.

Core statutory grants in the current year only covered 12% of annual charitable costs. This increases both the financial and liquidity risks to the charity, as the largest proportion of our income is voluntary and can vary whereas the on-going annual costs are relatively fixed. The Trustees are conscious of the need to retain free reserve levels at a level of 9 to 12 months of unrestricted annual expenditure to ensure that there can be continuity over an extended period.

Having considered the forecast and commitments for future expenditure together with the potential vulnerabilities to income flows, the Trustees consider the level of free reserves at 31 March 2019 to be adequate to meet the requirements of the above policy. The current free reserves represent around 10 months of budgeted expenditure for 2019/20.

	<b>£'000</b>
<b>Total funds held at 31 March 2019</b>	46,570
Less: Restricted funds	(189)
Amounts held as tangible fixed assets	(14,189)
Less: other designated funds:	
Revaluation reserve	(4,945)
Legacy equalisation fund	(8,575)
CTH development fund	(1,500)
<b>Free reserves at 31 March 2019</b>	<u>17,172</u>

**Investment policy and objectives**

The Trustees intend that charity assets invested are secure and enhanced if possible by investment in a portfolio comprising equities, fixed income, property and cash. Each year the Trustees decide on an appropriate rate of return for the portfolio.

The Trustees review the brief given to the investment managers on an annual basis with regard to the proportion of investments to be held in each asset class within the portfolio; the level of risk, which is acceptable, and the level of income required. The charity does not make investments in any stocks that may be considered unethical in the context of the objects of the charity.

**Investment performance**

Since 1 April 2018, the value of the investments increased by £2.4m to £23.9m. These investments have an historic cost of £19.1m. The dividend income received was £791k (2018 - £663k) which represents a yield on the weighted average of the portfolio of 3.5%. The Trustees are satisfied that the investment managers, Rathbones, have met the investment objectives given to them.

**Going concern**

The Trustees consider the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Internal controls and risk management**

The trustees are responsible for ensuring there is effective risk management and an appropriate internal control environment.

**ST BARNABAS HOSPICES (SUSSEX) LIMITED**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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The risk register is reviewed by the Board of Trustees on a monthly basis. The register identifies the controls in place to mitigate against each risk, together with actions underway or planned to reduce the level of risk further.

**Principal risks and uncertainties**

The three main areas of risk are:

- Clinical risk in the form of a major adverse clinical event
- Financial risk due to unplanned and unavoidable substantial expenditure or inadequate income from a drop in income generation performance within fundraising and/or retail, withdrawal of statutory funding, reputational damage, poor budgetary control or fraud
- Information technology risk due to the system not being fit for purpose and outdated, a breach of data protection law and a failure of back up procedures.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

St Barnabas Hospices (Sussex) Limited is a company limited by guarantee and registered with Companies House. It is governed by its Memorandum and Articles of Association dated 20 March 1968 and amended by special resolutions passed on 17 November 1998, 25 February 2003, 13 November 2006, 11 May 2010, 12 November 2013 and 23 February 2016.

**Organisational structure**

The Board of Trustees administers the charity and meets monthly. There are four main sub committees, namely Clinical Governance, Finance, Income Generation and Human Resources. The Clinical Governance Committee meets at regular intervals and two trustees act as the nominated individuals for each hospice. The Chief Executive is appointed by the Board of Trustees to manage the day-to-day operations of the charity.

The Board seeks to ensure that all activities are within the charitable objectives of the charity. Its responsibilities include setting the strategic direction and approving the budgets. Other matters reserved for decision-making by the Board are clearly identified as part of the corporate governance documents. The Board considers, and acts on, advice and information presented at its regular meetings which are attended by the Chief Executive and members of the management team. Specialist advice is also sought when required.

**Recruitment, appointment and training of trustees**

As set out in the Articles of Association, the maximum number of trustees is 15 and they are nominated by the members of the Association. All members of the Board are circulated with the names of retiring trustees and the nominations for the new trustees prior to the Annual General Meeting when an election is held. The Board of Trustees appoints the Chair of the Trustees annually. Trustees are only able to serve three terms of three years. New trustees undergo a full induction and training programme, which includes a trustee training pack, a visit to both hospices and the opportunity to meet the senior management team.

**Disabled employees**

The charity gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the charity's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

**Employee involvement**

Engaging openly with our workforce is an important part of making St Barnabas Hospices a great place to work and we do this through a number of informal and formal means, ranging from staff forums, opinion surveys and our performance management system through to our intranet, newsletters, leadership forums and briefings.

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**FOR THE YEAR ENDED 31 MARCH 2019**

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**Remuneration policy for key management personnel**

The Trustees consider that the Trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Trustees give of their time freely and received no remuneration in the year. Details of expenses are given in note 7 to the accounts.

The pay of senior staff is reviewed annually and normally increases in accordance with other hospices and general NHS increases.

**Group structure**

The company owns two subsidiary companies, St Barnabas Hospice (Worthing) Projects Limited, whose principal activity was to design, manage and build the new adult hospice and St Barnabas Hospices (Sussex) Trading Limited. The latter exists to facilitate, in a tax compliant manner for the charity, certain activities such as trading of bought-in goods. All the profits from the trading company are donated to St Barnabas Hospices (Sussex) Limited.

**Disclosure of information to the auditors**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have undertaken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

**Statement of trustees' responsibilities**

The law requires the Trustees, who are also the directors for the purposes of company law, to prepare the Trustees' Annual Report (including the Strategic Report) and the financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its results for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2015 (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in business

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

- The charity is operating efficiently and effectively
- Its assets are safeguarded against unauthorised use or disposition
- Proper records are maintained and financial information used within the charity or for publication is reliable
- The charity complies with relevant laws and regulations
- A system of effective clinical governance is in place

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The systems of internal controls are designed to provide reasonable, but not absolute, assurance against material mis-statement or loss. They include:

- An annual budget approved by the Board
- Regular forecasts to predict the likely outcome for the financial year
- Regular monitoring of actual performance against budgets and forecasts
- Delegation of authority to managers for expenditure within budget limits
- Segregation of duties
- Identification and management of risk

**Auditors**

Kreston Reeves LLP have indicated their willingness to continue in office and a resolution to re-appoint Kreston Reeves LLP as auditors will be proposed at the forthcoming Annual General Meeting.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

Approved by the trustees on 23<sup>rd</sup> July 2019 and signed on their behalf, by:



P Woolgar, Chair



M Godsmark, Honorary Treasurer

**ST BARNABAS HOSPICES (SUSSEX) LIMITED**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ST BARNABAS HOSPICES**  
**(SUSSEX) LIMITED**

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**Opinion**

We have audited the financial statements of St Barnabas Hospices (Sussex) Limited for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019, and of its 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 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 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 trustees' 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.

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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ST BARNABAS HOSPICES**  
**(SUSSEX) LIMITED**

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We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

**ST BARNABAS HOSPICES (SUSSEX) LIMITED**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ST BARNABAS HOSPICES**  
**(SUSSEX) LIMITED**

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

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



Simon Webber BA FCA (Senior Statutory Auditor)  
For and on behalf of Kreston Reeves LLP,  
Chartered Accountants and Statutory Auditor  
Chichester

Date: 6<sup>th</sup> August 2019



**ST BARNABAS HOSPICES (SUSSEX) LIMITED**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Restricted Funds 2019 £000	Unrestricted Funds 2019 £000	Total Funds 2019 £000	Total Funds 2018 £000
<b>Income from:</b>					
Income from charitable activities	2	2,342	293	2,635	2,344
Donations and legacies	3	382	8,792	9,174	10,422
Income from trading activities	4	-	5,814	5,814	5,543
Investment income	5	-	791	791	663
Other		-	83	83	53
Total income		2,724	15,773	18,497	19,025
<b>Expenditure on:</b>					
Raising funds	6	-	6,116	6,116	5,284
Charitable activities	6	2,683	10,511	13,194	11,990
Total expenditure		2,683	16,627	19,310	17,274
<b>Net income before gains / (losses) on investments</b>		41	(854)	(813)	1,751
Net gains / (losses) on investments	11	-	1,258	1,258	282
<b>Net movement in funds for the year</b>		41	404	445	2,033
<b>Reconciliation of funds:</b>					
Total funds at 1 April 2018		148	45,977	46,125	44,092
Total funds at 31 March 2019	14	189	46,381	46,570	46,125

All activities relate to continuing operations.

The charity has no recognised gains or losses other than the net movement in funds for the year.

The notes on pages 19 to 32 form part of these financial statements.

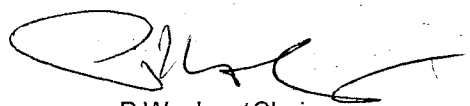
**ST BARNABAS HOSPICES (SUSSEX) LIMITED**  
**(A Company Limited by Guarantee)**

**BALANCE SHEET**  
**AS AT 31 MARCH 2019**

Company Registered no. 0930107

			2019	2018
	Note	£000	£000	£000
<b>Fixed assets</b>				
Tangible assets	10		14,337	14,963
Investments	11		23,903	21,506
			<u>38,240</u>	<u>36,469</u>
<b>Current assets</b>				
Stocks		15		8
Debtors	12	732		667
Cash at bank		8,675		9,913
		<u>9,422</u>		<u>10,588</u>
<b>Creditors: amounts falling due within one year</b>	13	(1,092)		(932)
<b>Net current assets</b>			<u>8,330</u>	<u>9,656</u>
<b>Total assets less current liabilities</b>			<u>46,570</u>	<u>46,125</u>
<b>Net assets</b>			<u><u>46,570</u></u>	<u><u>46,125</u></u>
<b>Charity funds</b>				
Restricted funds	14		189	148
Unrestricted funds:				
General fund	14	17,172		16,264
Designated funds	14	24,264		24,308
Revaluation reserve	14	4,945		5,405
<b>Total unrestricted funds</b>			<u>46,381</u>	<u>45,977</u>
			<u><u>46,570</u></u>	<u><u>46,125</u></u>

Approved and authorised for issue by the trustees on, 23<sup>rd</sup> July 2019 and signed on their behalf, by:

  
P Woolgar, Chair

  
M Godsmark, Honorary Treasurer

**ST BARNABAS HOSPICES (SUSSEX) LIMITED**  
**(A Company Limited by Guarantee)**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £000	2018 £000
<b>Net cash flow from operating activities</b>	<b>16</b>	(543)	2,044
<b>Cash flows from investing activities</b>			
Income from investments		791	663
Payments to acquire tangible fixed assets		(347)	(184)
Payments to acquire listed investments		(7,925)	(1,772)
Receipts from sales of listed investments		6,786	1,834
Receipts from sales of investment properties		-	-
<b>Net cash flow from investing activities</b>		(695)	541
<b>Increase/(decrease) in cash and cash equivalents</b>		(1,238)	2,585
Cash and cash equivalents at 1 April 2018		9,913	7,328
<b>Cash and cash equivalents at 31 March 2019</b>		<u>8,675</u>	<u>9,913</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		<u>8,675</u>	<u>9,913</u>
<b>Cash and cash equivalents at 31 March 2019</b>		<u>8,675</u>	<u>9,913</u>

The notes on pages 19 to 32 form part of these financial statements.

# ST BARNABAS HOSPICES (SUSSEX) LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The charitable company is a private company limited by guarantee incorporated in the UK and registered in England & Wales and constitutes a Public Benefit Entity as defined by FRS 102. The registered office is given on page 2. The financial statements have been prepared under the historical cost convention, with the exception of certain items which are included at market value. The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the FRS 102 (as amended by Update Bulletin 1), the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charitable company does not need to prepare group accounts and these financial statements only refer to the parent undertaking, not the group. The charitable company is exempt under section 402 of the Companies Act 2006 from the requirement to prepare consolidated accounts on the grounds that under section 405 both of its subsidiary undertakings could be excluded from consolidation as their inclusion is not material.

#### 1.2 Income

Income received is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

All donations and other forms of voluntary income are recorded when the charity has been notified of the amounts and settlement is expected. Other income, including investment income, is recorded on an accruals basis.

Legacies receivable are included in the financial statements when they satisfy the following three criteria:

Entitlement - the earlier of the charity being notified of an impending distribution or the legacy being received;

Probable – receipt is more likely than not and;

Measurement – the monetary value can be sufficiently reliably measured.

Legacies received as equities are valued as advised by the investment managers. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Donated facilities and donated professional services are recognised as an income at their fair value where the provider of the service has incurred a financial cost. Fair value is determined on the basis of the value of the gift to the charity. A corresponding amount is recognised in expenditure. Volunteer time is not included in the financial statements.

Grants are recognised in full in the Statement of Financial Activities in the year in the charity is legally

# ST BARNABAS HOSPICES (SUSSEX) LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. Grants for the purchase of fixed assets are credited to restricted income when receivable.

Gifts in kind donated for resale are included at fair value. Where it is impracticable to fair value the items on donation due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

### 1.3 Expenditure

Expenditure is recognised on an accruals basis.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity comprising the salary and overhead costs of the central function is apportioned on an estimate of the staff time attributable to each activity.

Fundraising costs comprise costs incurred in inducing people and organisations to contribute financially to the charity's work. Costs of charitable activities are those costs incurred in relation to the objects of the charity.

Governance costs are associated with meeting the constitutional and statutory arrangements of the charity, including external audit and the cost of preparing statutory accounts, the cost of trustees' meetings and other costs involved with the charity's strategic management.

### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at deemed cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Straight line over 30 years
Leasehold property	-	Shops - straight line over period of the lease
		Children's hospice - straight line over 30 years
Motor vehicles	-	25% per annum straight line
Fixtures, fittings & equipment	-	10 or 25% per annum straight line
Freehold land	-	Not depreciated

Assets costing less than £5,000, and all computer equipment, are written off to expenditure in the year of acquisition. Assets under construction are not depreciated until the asset is brought into use.

### 1.5 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

### 1.6 Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

# ST BARNABAS HOSPICES (SUSSEX) LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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### 1.7 Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities in the year in which they fall due.

### 1.8 Investments

Listed investments are stated at market value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities and investment income plus associated tax recoverable, is credited to income on an accruals basis. Investment management costs are charged as expenditure out of the relevant income funds.

Investments in subsidiaries are stated at cost less provision for diminution in value.

### 1.9 Pension costs

The charity has operated a defined benefit scheme on behalf of its employees – the NHS Pension Scheme. This scheme is a multi-employer scheme where assets and liabilities of the scheme, applicable to each employer, are not separately identified. Therefore, the pension charge recorded in these financial statements is the amount of contributions payable on a defined contribution basis in the accounting year, plus any deficit funding agreed during the year to be paid in future years, in accordance with Financial Reporting Standard 102.

In addition, one defined contribution scheme is operated by the charity. Contributions payable are charged in the period to which they relate. Further information on the pension schemes can be found in note 17.

### 1.10 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

### 1.11 Judgements and key sources of estimation uncertainty

In applying the above accounting policies, the Trustees are required to make judgements and estimates. The key judgements applied in these financial statements are in determining the allocation of funds as restricted or designated. The key sources of estimation uncertainty relate to the recognition of income from legacies where the actual amount received may differ from that initially recognised. Tangible fixed assets are stated at their deemed cost less provision for depreciation, the charity at acquisition determines the reliable estimates for the useful life of the asset and its residual value. These estimates are based upon factors such as the expected use of the acquired asset and market conditions. At subsequent reporting dates the trustees consider whether there are any factors that indicate that there would be a need to reconsider the estimates used.

# ST BARNABAS HOSPICES (SUSSEX) LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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### 1.12 Termination benefits

It is the Charity's policy to recognise termination benefits when they become committed, by legislation, by contractual or other agreements with employees or their representatives or by constructive obligation based on business practice, custom or a desire to act equitably, to make payments (or provide other benefits) to employees when it terminates their employment. Termination payments do not provide the charity with future economic benefits therefore it is their policy to recognise them as an expense in the profit or loss immediately.

### 2. Income from charitable activities

	Restricted funds 2019 £000	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
NHS grants	1,584	-	1,584	1,570
Other statutory grants and contracts	758	218	976	651
Other grants	-	13	13	47
Education income	-	62	62	76
	2,342	293	2,635	2,344

The charity received a restricted grant from the Coastal West Sussex Clinical Commissioning Group (CCG) of £1,353k (2018 - £1,339k) for the adult hospice. The charity received a restricted grant from NHS England of £231k (2018 - £231k) for the children's hospice.

Statutory contract income of £976k (2018: £651k) was received for the provision of care at both hospices from local county councils and Coastal West Sussex CCG.

### 3. Income from donations and legacies

	Restricted funds 2019 £000	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Retail gift aid donations	-	174	174	168
Donations	382	3,666	4,048	3,955
Legacies	-	4,952	4,952	6,299
	382	8,792	9,174	10,422

The Charity has £0.4m in contingent assets in respect of potential legacy income. This relates to outstanding legacies at the year-end, expected to be received in the next financial year.

# ST BARNABAS HOSPICES (SUSSEX) LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 4. Income and expenditure from raising funds

	Retail	Lottery	Fundraising	Total 2019	Total 2018
	£000	£000	£000	£000	£000
Donations and legacies (note 3)	174	-	9,000	9,174	10,422
Income from trading activities	2,812	2,002	1,000	5,814	5,543
Income from raising funds	2,986	2,002	10,000	14,988	15,965
Salary costs	1,130	106	1,374	2,610	2,277
Other costs	838	527	1,261	2,626	2,284
Expenditure on raising funds	1,968	633	2,635	5,236	4,561
Surplus before support costs and depreciation	1,018	1,369	7,365	9,752	11,404
Support costs	381	34	421	836	675
Total contribution from raising funds	637	1,335	6,944	8,916	10,729

Salary costs do not include support salaries, as they are included in support costs.

Included within the retail sales figure is £696k (2018 - £672k) relating to the proceeds of sales made on behalf of donors under the retail gift aid scheme. The associated gift aid claimed of £174k (2018 - £168k) is shown as donations.

In the year ended March 2019, of the total income from trading activities, £382k (2018 - £245k) was to restricted funds.

### 5. Investment income

	2019 £000	2018 £000
Income from listed investments	723	602
Interest receivable	68	61
Total unrestricted investment income	791	663



# ST BARNABAS HOSPICES (SUSSEX) LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 6. Total Expenditure

	Staff costs excluding support salaries £000	Other costs £000	Support costs including support salaries £000	Total 2019 £000	Total 2018 £000
<b>Charitable activities</b>					
<b>St Barnabas House</b>					
Inpatient services	2,340	985	416	3,741	3,650
Community team services	1,299	168	207	1,674	1,509
Hospice at home	898	117	255	1,270	881
Day hospice	333	263	97	693	609
Outpatients service	256	67	72	395	323
Family services	260	98	57	415	332
Education	153	43	19	215	215
	5,539	1,741	1,123	8,403	7,519
<b>Chestnut Tree House</b>					
In house services	2,155	652	548	3,355	3,079
Community team services	994	163	259	1,416	1,371
Education	16	2	2	20	21
	3,165	817	809	4,791	4,471
<b>Total charitable activities</b>	<b>8,704</b>	<b>2,558</b>	<b>1,932</b>	<b>13,194</b>	<b>11,990</b>
<b>Raising funds</b>					
Lottery	106	527	34	667	532
Fundraising	1,374	1,261	421	3,056	2,508
Retail	1,130	882	381	2,393	2,244
	2,610	2,670	836	6,116	5,284
<b>Total expenditure</b>	<b>11,314</b>	<b>5,228</b>	<b>2,768</b>	<b>19,310</b>	<b>17,274</b>

### Support cost allocation

	Raising funds £000	Charitable activities £000	2019 £000	2018 £000
Support staff costs	415	960	1,375	887
Premises, technology and other costs	421	972	1,393	1,154
	836	1,932	2,768	2,041

In the year ended March 2019, £2,683k of the total expenditure on charitable activities was from restricted funds, (2018: £2,273k).

Governance costs of £19k (2018: £19k) relating to auditors remuneration (note 9), trustees' insurance and expenses (note 7) are included within 'Premises, technology and other costs'.

# ST BARNABAS HOSPICES (SUSSEX) LIMITED

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 7. Trustees and key management personnel remuneration and expenses

None of the trustees (or any persons connected with them) received any remuneration during this or the previous year. One (2018 – one) trustee was reimbursed for travelling expenses of £44 (2018 - £204). Trustees' indemnity insurance of £1,596 (2018 - £1,513) is paid by the charity.

The total amount of employee remuneration and benefits received by key management personnel (defined as the senior management team) is £593,679, (2018 - £545,091).

During the year, £110,834 was paid in termination payments to key personnel after they left the employment of the Charity. This was dealt under settlement agreements and relate to the financial year.

#### 8. Staff costs

The average monthly number of employees during the year was as follows:

	2019 No.	2018 No.
St Barnabas House	163	145
Chestnut Tree House	84	90
Education	4	5
Income generation	98	95
Governance	1	1
	<hr/> 350	<hr/> 336

The average number of employees above is based on full-time equivalents.

The average monthly head count was 445 (2018 - 432)

	2019 No.	2018 No.
The number of higher paid employees was:		
In the band £60,001 - £70,000	3	5
In the band £70,001 - £80,000	3	5
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	2	2
	<hr/>	<hr/>

The aggregate pension contributions made by the charity on behalf of higher paid staff was £97,698 (2018 - £114,116). The number of higher paid staff accruing benefits in defined contribution and defined benefit pension schemes was 5 and 4 respectively (2018 – 4 and 7).

Employment costs	2019 £000	2018 £000
Wages and salaries	10,833	9,721
Social security costs	943	850
Other pension costs	906	833
	<hr/> 12,682	<hr/> 11,404

# ST BARNABAS HOSPICES (SUSSEX) LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 9. Net (expenditure)/income

Net (expenditure)/income is stated after charging:	<b>2019 £000</b>	<b>2018 £000</b>
Depreciation of tangible fixed assets	972	989
(Loss) / Gain on disposal of fixed assets/investment	-	-
Operating lease rentals - land and building	401	393
Auditors' remuneration - audit fees	16	16
Auditors' remuneration - other services	1	1

### 10. Tangible fixed assets

	<b>Freehold property shops £000</b>	<b>Freehold land and buildings £000</b>	<b>Leasehold property £000</b>	<b>Fixtures, fittings and equipment £000</b>	<b>Motor vehicles £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>						
At 1 April 2018	495	13,015	5,333	3,927	517	23,287
Additions	-	-	-	260	87	347
Disposals	-	-	-	-	(58)	(58)
At 31 March 2019	495	13,015	5,333	4,187	546	23,576
<b>Depreciation</b>						
At 1 April 2018	76	2,457	2,478	2,804	510	8,325
Charge for the year	19	351	188	402	12	972
On disposals	-	-	-	-	(58)	(58)
At 31 March 2019	95	2,808	2,666	3,206	464	9,239
<b>Net book value</b>						
At 31 March 2019	<u>400</u>	<u>10,207</u>	<u>2,667</u>	<u>981</u>	<u>82</u>	<u>14,337</u>
At 31 March 2018	<u>419</u>	<u>10,559</u>	<u>2,854</u>	<u>1,124</u>	<u>7</u>	<u>14,963</u>

The Freehold property shops, consisting of units at Rustington, Wick and Ferring, were professionally valued in March 2014 by C G Spratt and Son Limited, estate agents, surveyors and valuers, on an open market basis at £125,000, £220,000 and £150,000 respectively and are recognised as deemed cost on transition to SORP 2015 (FRS 102). These assets are being depreciated from their valuation date. The historic cost of these shops at Rustington, Wick and Ferring is £45,000, £124,716 and £142,500 respectively.

In Leasehold property there is £2,644,000 NBV related to long leasehold property (i.e. 30+ years remaining at the balance sheet date), the remaining £23,000 NBV relates to short leasehold properties.

# ST BARNABAS HOSPICES (SUSSEX) LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 11. Fixed Asset Investments

Listed investments	2019 £000	2018 £000
Market value 1 April 2018	21,506	21,286
Disposals	(6,786)	(1,834)
Acquisitions	7,925	1,772
Revaluations	1,258	282
Market value 31 March 2019	<u>23,903</u>	<u>21,506</u>
Historic cost 31 March 2019	<u>19,106</u>	<u>16,256</u>

#### Investments in subsidiaries

	Country of registration or incorporation	Class	Shares held %
St Barnabas Hospice (Worthing) Projects Limited, co reg 3827427	England and Wales	Ordinary	100
St Barnabas Hospices (Sussex) Trading Limited, co reg 07157835	England and Wales	Ordinary	100

The aggregate value of capital and reserves and the results for these undertakings for the financial year are as follows:

	Turnover £000	Expenditure £000	Profit for the year £000	Capital and reserves £000
St Barnabas Hospice (Worthing) Projects Limited	0	0	0	0
St Barnabas Hospices (Sussex) Trading Limited	£105	(£52)	£53	0

The profit of £52,669 (2018 - £46,453) was gift aided from St Barnabas Hospices (Sussex) Trading Limited to St Barnabas Hospices (Sussex) Limited.

### 12. Debtors

	2019 £000	2018 £000
Other debtors	256	273
Prepayments and accrued income	476	394
	<u>732</u>	<u>667</u>

# ST BARNABAS HOSPICES (SUSSEX) LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 13. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	510	236
Amounts owed to group undertakings	-	-
Other taxation and social security	-	237
Other creditors	229	212
Accruals and deferred income	353	247
	<u>1,092</u>	<u>932</u>

### 14. Statement of funds

	Brought forward £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Carried forward £000
<b>Designated funds</b>						
Tangible fixed assets	14,808	-	(972)	353	-	14,189
Legacy equalisation	8,000	575	-	-	-	8,575
CTH development	1,500	-	-	-	-	1,500
	<u>24,308</u>	<u>575</u>	<u>(972)</u>	<u>353</u>	<u>-</u>	<u>24,264</u>
<b>Unrestricted funds</b>						
General fund	16,264	15,198	(15,655)	1,365	-	17,172
Revaluation reserve	5,405	-	-	(1,718)	1,258	4,945
	<u>21,669</u>	<u>15,119</u>	<u>(15,655)</u>	<u>(353)</u>	<u>1,258</u>	<u>22,117</u>
Total unrestricted funds	<u>45,977</u>	<u>15,773</u>	<u>(16,627)</u>	<u>-</u>	<u>1,258</u>	<u>46,381</u>

Expenditure from the fixed assets designated fund represents the annual depreciation on the deemed cost of those assets. The transfer in from the general fund relates to the element of the depreciation charge in excess of that charged on the historic cost. The transfer from the revaluation fund to the general fund relates to gains on investments that have now been realised.

# ST BARNABAS HOSPICES (SUSSEX) LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### Statement of funds (continued)

#### Restricted funds

	Brought forward £000	Income £000	Expenditure £000	Transfer in/(out) £000	Gains/ (losses) £000	Carried forward £000
Operating and equipment fund	148	382	(341)	-	-	189
NHS Coastal CCG grant - adult hospice	-	1,353	(1,353)	-	-	-
Department of Health - children's hospice	-	231	(231)	-	-	-
Contracted income	-	305	(305)	-	-	-
Hospice at home	-	448	(448)	-	-	-
Other grant funding – community nurses	-	5	(5)	-	-	-
	148	2,724	(2,683)	-	-	189
<b>Total funds</b>	<b>46,125</b>	<b>18,497</b>	<b>(19,310)</b>	<b>-</b>	<b>1,258</b>	<b>46,570</b>

The Trustees have designated funds in several areas:-

The tangible fixed assets fund represents charitable funds invested in operational fixed assets. The assets will be used throughout the time of activity of the charity.

The legacy equalisation reserve represents receipts of legacies in any one year over and above 125% of the budget amount and will be used to make up any shortfall in the legacy budget in any future years.

The CTH Development fund represents funds set aside to finance the extension at the children's hospice. This extension is likely to occur within the three five years.

Restricted funds for the charity is split into four main areas:-

The adult and children's hospice operating and equipment funds represent donations made for specific equipment purchases and running costs in the hospices.

The NHS Coastal West Sussex CCG grant is provided to cover the operating costs of the adult hospice and the Department of Health grant is provided to cover operating costs and support capital projects in the children's hospice.

Coastal West Sussex CCG and West Sussex County Council provide contracted income for adults and children respectively for the relevant hospice.

The Hospice at Home fund represents specific income from the Sussex Community NHS Foundation Trust towards this service.

# ST BARNABAS HOSPICES (SUSSEX) LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 15. Analysis of net assets between funds

	Restricted funds 2019 £000	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Tangible fixed assets	-	14,337	14,337	14,963
Fixed asset investments	-	23,903	23,903	21,506
Current assets	189	9,233	9,422	10,588
Creditors due within one year	-	(1,092)	(1,092)	(932)
	<u>189</u>	<u>46,381</u>	<u>46,570</u>	<u>46,125</u>

### 16. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £000	2018 £000
<b>Net (expenditure)/income for year</b>	445	2,033
Deduct: interest and dividend income shown in investing activities	(791)	(663)
<i>Adjust for non-cash items:</i>		
Depreciation of tangible fixed assets	972	989
Net (gains) on investments	(1,258)	(330)
Loss on disposal of fixed assets/investments	-	48
<i>Adjust for working capital:</i>		
(Increase) in stocks	(7)	(4)
(Increase)/Decrease in debtors	(65)	7
Increase/(Decrease) in creditors	161	(36)
<b>Net cash inflow from operating activities</b>	<u>(543)</u>	<u>2,044</u>

### 17. Pensions

#### **Royal London Group Personal Pension Plan**

This scheme is a defined contribution scheme, open to all employees under auto enrolment.

#### **NHS Pension Scheme**

The NHS Pension Scheme is an unfunded occupational scheme backed by the Exchequer, which is open to all NHS employees and employees of other approved organisations. The Scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. As such, it is not possible for St Barnabas to identify its share of the assets and liabilities of the underlying scheme. The Scheme receives contributions from employees and employers to defray the costs of pensions and other benefits.

The NHS Pension Scheme is an unfunded scheme, these liabilities are underwritten by the Exchequer, which also funds the year on year difference between the Scheme's contribution income and the actuarially assessed growth in scheme liability, interest charges and other in-year increases in liability.

# ST BARNABAS HOSPICES (SUSSEX) LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 18. Commitments under operating leases

At 31 March 2019 the Charity had future minimum lease payments under non-cancellable operating leases as follows:

	Land & buildings	
	2019	2018
	£000	£000
<b>Falling due:</b>		
Not later than 1 year	288	52
Later than 1 year and not later than 5 years	1,061	514
Later than 5 years	575	1,289
	<hr/>	<hr/>
	1,924	1,855

### 19. Related party transactions

Gifted income of £52,669 (2018: £46,453) was received from St Barnabas Hospices (Sussex) Trading Limited, a wholly owned subsidiary. At the balance sheet date the amount due to St Barnabas Hospices (Sussex) Limited was £11,205 (2018 – £17).

During the current and prior year, there were no transactions with St Barnabas Hospice (Worthing) Projects Limited, a wholly owned subsidiary. At the balance sheet date the amount due from / (to) St Barnabas Hospices (Sussex) Limited was £nil (2018 - £nil).

During the year, the charity received £0k (2018 – £25k) from sales ledger transactions in respect of Leo House Children's Hospice. This was receipt of a grant for the work carried out by community nurses at Chestnut Tree House. This grant has been in place for a number of years. Mr A Clark is a Trustee of both Leo House and St Barnabas Hospices (Sussex) Limited. The grant agreement was already in place before Mr A Clark was appointed a Trustee for the charity.



# ST BARNABAS HOSPICES (SUSSEX) LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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### 20. Financial instruments

The carrying amounts of the Charity's financial instruments are as follows:

	2019 £000	2018 £000
<b><i>Financial assets:</i></b>		
Measured at fair value through net income / expenditure:		
- Fixed asset listed investments (note 11)	23,903	21,506
Debt instruments measured at amortised cost:		
- Other debtors (note 12)	732	667
- Cash at bank and in hand	8,675	9,913
<b><i>Financial liabilities:</i></b>		
Measured at amortised cost		
- Trade creditors (notes 13)	510	236
- Other creditors (notes 13)	582	696

The income, expenses, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

	2019 £000	2018 £000
<b><i>Income and expense:</i></b>		
Income from financial assets measured at fair value through net income	644	602
Interest income from financial assets measured at amortised cost	68	61
<b><i>Net gains and losses (including changes in fair value):</i></b>		
Gains on financial assets measured at fair value through net income	1,337	282