



**MICHAEL SOBELL HOSPICE CHARITY**  
(A company limited by guarantee)

(formerly Friends of Michael Sobell House)

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

---

CONTENTS	Page
Company and Charity Information	1
Chair's Report	2
Trustees' Report	5
Auditor's Report	15
Statement of Financial Activities	17
Balance Sheet	18
Statement of Cash Flows	18
Notes to the Financial Statements	20

**MICHAEL SOBELL HOSPICE CHARITY (formerly Friends of Michael Sobell House)**  
**COMPANY AND CHARITY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2019**

---

Michael Sobell Hospice Charity is a company limited by guarantee and a registered charity governed by its Memorandum & Articles of Association. The directors of the Charity are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

**Company registration number:** 3677413

**Charity registration number:** 1079638

**Registered Office:** Michael Sobell House  
 Mount Vernon Hospital  
 Northwood  
 Middlesex  
 HA6 2RN

<b>Trustees:</b>	Rosalind Williams	Chair (until 30 June 2019)	1,2,3
	Satish Kanabar		1,4
	Joe Sandercock	Co-opted 25 October 2018	
	Rod Lacey	Co-opted 25 October 2018	
	Michael Breen	from 5 December 2018	Chair from 1 July 2019
	Doug Edmonds	from 5 December 2018	1,4
	Ian Chandler	from 7 May 2019	
	Scott Seaman-Digby	[resigned 23 May 2018]	
	Rowena Dean	[resigned 25 October 2018]	1
	Jim Sutcliffe	[resigned 25 October 2018]	1,4
	John Hensley	[resigned 25 October 2018]	
	Daksha Dodhia	[resigned 21 November 2018]	2
	Jean Seymour	[resigned 20 February 2019]	2,3

1 Member of Finance Committee

2 Member of Governance Committee

3 Member of Patient Care Group

4 Member of the Banking & Investment Committee

**Advisor:** Eddie O'Sullivan member of the Banking & Investment Committee

**Chief Executive:** Judi Byrne [resigned 31 March 2019]

**Auditor:** Mazars LLP  
 Chartered Accountants & Registered Auditors  
 The Pinnacle, 160 Midsummer Boulevard,  
 Milton Keynes, MK9 1FF

**MICHAEL SOBELL HOSPICE CHARITY (formerly Friends of Michael Sobell House)**  
**CHAIR'S REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

---

I am delighted to be writing this statement as the new Chair of The Michael Sobell Hospice Charity. It is certainly an honour to have been appointed to take over this important role and I am determined to do everything that I can to ensure the Charity and the palliative care services it supports within the Michael Sobell Hospice are regenerated.

Rosalind Williams' term as Chair ended on 30 June 2019 and I would like to express our grateful thanks to her for the dedication, hard work and significant contribution that she has made to the Charity during this time and we are delighted that she will continue as a Trustee.

The events of last year were well publicised and it proved to be the most difficult year ever experienced by the Hospice and the Charity in all its 42 year history.

In May 2018, following a review by East and North Herts NHS Trust (E&NH) Trust and associated with their Care Quality Commission (CQC) review, E&NH Trust made the decision to relocate the inpatient service of Michael Sobell Hospice to the main hospital block and to close the MSH Inpatient Unit. On the information we were given, we believed that this decision was made in the best interests of the patients and their families and the care that was needed. The Charity continued to fund and support the inpatients in the relocated service until the end of September 2018.

The Hospice Day services remain in the newer annex of the building, and that service to patients continued uninterrupted throughout the year and was fully funded by the Charity.

E&NH estimated that the cost of rebuilding Michael Sobell Hospice Inpatient Unit would be in excess of £10 million. This cost was unmanageable and the Charity had to look for other solutions. Understandably the closing of the Michael Sobell Inpatient Unit has caused considerable concern and this was expressed in the wider community.

The Board of Trustees, together with its supporters, instigated a series of discussion meetings with a wide section of the community, including their political representatives and our staff and volunteers. We also held meetings with the various relevant NHS bodies (Hillingdon Clinical Commissioning Group, Hillingdon Hospital NHS Trust as well as East and North Herts NHS Trust and Hillingdon Healthwatch). We intended to consult with as many people as possible on a future model of palliative and end of life care, potential locations and funding.

The Board of Trustees set up a working group to consider all the options being presented and this work has continued into the next year.

I do appreciate that it has been tough for everyone involved and it has been most reassuring to know that our loyal supporters, volunteers and employees have been there every step of the way helping us to get through it.

The support group achieved over 10,000 signatories demanding the return of inpatient services at Michael Sobell House and their determination and pressure has helped focus the health service authorities to provide a solution. Unfortunately for the trustees and the supporters these solutions take time; we all feel the same frustration with lack of progress during the year.

My heartfelt thanks go out to all of you who continue to believe in the Charity and the wonderful Hospice that it supports. Your unwavering trust and confidence has been humbling and we would not be where we are now without you.

Fortunately for all of these efforts have been rewarded with start of work on the refurbishment and improvement of Michael Sobell House, which I will cover in the post yearend section of my report.

The year saw the retirement of some of our dedicated trustees; Rowena Dean has acted as our Treasurer for last five years, Jean Seymour has tirelessly served as a Trustee for over nine years, Jim Sutcliffe has provided indispensable financial advice and Daksha Dodhia has offered valuable legal advice. I would like to take this opportunity to thank them for everything that they have done for the Charity over the years; their commitment and



MICHAEL SOBELL HOSPICE CHARITY (formerly Friends of Michael Sobell House)  
CHAIR'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2019

---

skills will be certainly missed.

Two employees left us during the year; Glyn Halliday, our accounts manager for many years, and Judi Byrne, the CEO; we thank them for their service and wish them well for the future.

During the year the Charity welcomed back Joe Sandercock and Rod Lacey as Trustees along with ex-Trustee Eddie O Sullivan, who continues to provide support as an external advisor to the Board of Trustees.

Since the year end joining me as new trustees are Doug Edmonds (also chair of the Sobell Bridge club) and Ian Chandler (with years of experience in building projects) bringing with them significant valuable expertise. We also welcomed Harvey Adams as our treasurer.

A very special thank you goes to everyone who has continued to organise and participate in events to raise funds for the Charity during an uncertain year. In particular, the Charity held yet another very successful quiz evening and our intrepid golfing supporters attended another great sporting day at Sandy Lodge Golf Club. Our dedicated book stall volunteers also continue to be great community ambassadors through the weekly market stalls and attending fayres and events representing the Charity.

Our thanks go to our shop managers, staff and volunteers and to all of the customers who support us and provide a valuable source of income for the Charity.

The Charity's long-term alliance with the Hospice Lottery Partnership generates another vital source of income for us and has contributed £206,250 to each of the six Hospice partners over the last year. We would like to sincerely thank everyone who is a member of HLP and those who purchase our weekly lottery tickets for their incredible support.

I strongly believe that the Charity and the Hospice are now on a positive and stronger path, having weathered the frustrations and difficulties of the last year. We are now able to look forward to an optimistic year in which the Hospice Inpatient Unit can re-open assisted by a new partner providing the clinical services. Opening the refurbished Inpatient Unit will be expensive but the Charity will then be able to focus on fundraising to support this amazing, special place that provides local people in our community with exceptional palliative and end of life care.

Finally, I would like to say how proud I am to have been given the opportunity to make a difference to the development and future of Michael Sobell Hospice Charity and look forward to reporting on our progress throughout the coming year.

On behalf of myself, the Board of Trustees and everyone at Michael Sobell Hospice Charity

**THANK YOU!**

### Important Post Year Events

Since the decision by E&NHT to close Michael Sobell Hospice and to end its clinical support of the Inpatient Unit the Charity has worked tirelessly to put in place alternative arrangements.

The Charity has had enormous support from all areas of the community and the health authorities.

The Charity is extremely pleased to announce that, after months of uncertainty, works for refurbishment and improvement at Michael Sobell Hospice, are now underway to facilitate the re-opening of the Hospice Inpatient Unit.

The Charity has worked closely with Harlington Hospice to establish what needed to be put in place to refurbish Michael Sobell Hospice to present-day standards and to find a replacement to E&NHT as the clinical service supplier. The Charity is truly grateful to the team at Harlington for the time and effort they have put into this research.

I am pleased to report that NHS Hillingdon Clinical Commissioning Group has appointed Harlington to provide the clinical services at Michael Sobell Hospice, and that the Michael Sobell Hospice Charity will resume funding part of the costs of the Inpatient Unit.

The Charity will continue funding the Day Centre.

I want to acknowledge the important part played by the Councillors of the London Borough of Hillingdon's External Services Select Committee in responding to the concerns of the community by bringing together the organisations needed for a full service to be re-established. Likewise, the total support offered by the Hillingdon Clinical Commissioning Group.

The Charity has agreed to provide funds (estimated at around £385,000) to refurbish Michael Sobell Hospice. The work on the refurbishment has already started and we expect to open our doors to inpatients by the end of 2019.

With the future of the Inpatient Unit now established the Charity will be recruiting extra staff to reinforce our fundraising efforts.

The Charity will, once again, be able to focus on raising funds for both areas within the Hospice and appreciates that this definitely could not be achieved without the continuous belief and generosity of its loyal supporters.

**Michael Breen**  
Chair



The Trustees are pleased to present their annual directors' report together with the financial statements of the Charity for the year ending 31 March 2019, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and 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 (FRS102) (effective 1 January 2015).

On April 1, 2000, Friends of Michael Sobell House took over the responsibilities of the League of Friends of Michael Sobell House in supporting the work of Michael Sobell Hospice.

### **Objectives and Activities for the Public Benefit**

The key element of the Charity's work is to provide ongoing funding to support palliative and end of life care for patients in our locality. Michael Sobell Hospice is an NHS Hospice and has been providing care for over 40 years for people in its catchment area. The Charity was established to provide financial support from the start and has no responsibility for the running and management of the service. The Charity raises the funds needed to provide a range of support for the services at Michael Sobell Hospice, providing relief and palliative care to patients, former patients and their families. Michael Sobell Hospice is the hospice and centre for palliative care at Mount Vernon Hospital. The Hospice provides inpatient and day care and is a centre of excellence for specialist services, enhancing without discrimination the care of patients with life limiting illnesses and support for their families and carers.

The funds that the Charity generates allows the NHS Hospice to provide a broader range of services and higher level of care that would otherwise be possible using only NHS provision for this type of service.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a Charity (PB2)'. The Charity relies on a number of income streams including grants, retail outlets, events and fundraising activity. In addition, we rely on donations, gifts in memory, regular giving, corporate support, legacies and grants. We endeavour, through a wide range of communication methods, to encourage our local community to take part in our activities and to attend our events to support our intentions.

During the year East and North Herts Trust E&NHT stated the Michael Sobell House Inpatient Unit was no longer suitable for inpatient care without substantial sums being spent on it and the building was closed. As a result the Charity temporarily ceased funding inpatient care while a long term solution was found. Since the year end a new clinical service provider has been found and work has begun to renovate Michael Sobell Hospice and we expect inpatients care to resume before the year end.

(See the post year end statement on page 4)

### **Volunteers at Michael Sobell Hospice Charity**

Without the dedication of our volunteers, we could not offer the same level of care to patients, their families, carers and friends. At Michael Sobell Hospice Charity, there are over 200 volunteers lending a helping hand in a variety of ways including admin, fundraising events and in our retail shops and warehouse. Our volunteers generally give a regular commitment, which can be flexible to fit around the person - anywhere between an hour a month, to several days a week.

Our Voluntary Services Officer coordinates the recruitment, training and placement of volunteers for the Charity and keeps in regular contact with them. Without the time and commitment of our volunteers, the Charity would be unable to operate effectively. They are critical to success across all areas of the organisation, helping us with income generation activities, working in our retail outlets and generally supporting our events and fundraising work.

Our shops and warehouse rely heavily on volunteers and without them our outlets would close. They are absolutely business critical. In the office, our volunteers work alongside the staff team providing a valuable resource with

communications, finance, event preparation and administration.

#### Achievements and Performance

The activities undertaken in the year satisfy the objectives of the Charity and demonstrate public benefit as required by the Charity Commission.

The Hospice philosophy is based on the individual patient and those around them being of primary importance. The Hospice service is completely free to those to need it, regardless of race or belief. The funds we have generated during the year have supported Michael Sobell Hospice and its patients and families in many ways:

- The Charity granted £701,873 in the year to March 31st, 2019 to fund a range of services, activities and equipment;
- We have funded clinical support, educational and administrative salaries within the Hospice, including on-costs, ensuring high levels of professional medical and nursing care for patients, their families and carers;
- We have funded patient and family support including emotional care and practical support plus bereavement listening for families;
- We have continued to provide the total funding required for the Day Centre provision within the Hospice where those suffering from a life-limiting illness can attend on a non-residential basis. Here, they can receive support with their illness and clinical staff can review their care through day services provision e.g. infusions. This means that more patients can receive treatments in the Day Centre rather than being admitted;
- We have made funds available to purchase equipment and little extras to help make the patients' stay at the Hospice more comfortable;
- We have included patients and families in events to celebrate the lives of their loved ones.

In addition:

- We have held events that have included our local communities;
- We have provided opportunities for volunteering including schemes to help people return to the workplace;
- We have provided opportunities for students and young people to work with us and understand the Charity and fundraising sector;
- Our refurbished shops are a reminder to the public that Michael Sobell Hospice is there for them when they or someone they know needs special care and they are our "face" on the high street;
- We have continued to have constant dialogue with our NHS colleagues to ensure we are updated on the future of the Hospice and the Mount Vernon site and the provision of end of life care to the local community as a whole. [See the post year end statement on page 4]

The results of our income generation activities are measured against the previous year and compared to external benchmarks and budgets determined by the staff and agreed with the Trustees.

The Trustees also closely monitor the performance of the investment portfolio and obtain advice relating to investment matters. The Charity has a Banking and Investment sub-committee of the Board for this purpose and an external advisor has a place on this committee.

#### FINANCIAL REVIEW



The figures for the year should be regarded as exceptional as for most of the year our Inpatient Unit was closed and this significantly affects our ability to raise funds and to fully meet our charitable objectives. The figures for the following year 2019/20 will be affected for the same reason. However with the Inpatient Unit due to reopen later this year we expect the figures for income and expenditure to return to normal in 2020/21.

The total incoming resources taken into the accounts for the year, excluding any gain on investments, included the gross income from fundraising activities and amounts to £1,056,452 (2018: £1,374,404) a decrease of some £318k from the previous year. £89k of this could be accounted for by the downfall in legacies. The remainder is largely due to a fall in donations and some traditional fundraising streams.

Bequests are an important source of income for MSHC but they continue to be an unpredictable amount of income. This year we experienced a further significant drop in bequests and legacies, the total legacy income was £100,753 (2018: £189,420) down 47% and well below budget expectations.

Many charities are finding that the traditional source of income from events is diminishing and people now give to Charity in a different way. Social media and on-line gifting are increasing, and this depends significantly on marketing and communications. MSHC is experiencing the same change in giving and we have plans to reconfigure the Income Generation staff team to reflect this shift and maximise new future income streams.

Donations and Gifts at £169,621 (2018: £272,264) for the year show a 37.7% decrease on the previous year. Overall, gross income from income generation excluding legacies, lottery and retail, at £483,126 (2018: £718,684) show a 32.8% decrease for the year.

Trading income from our shops amounted to £266,323 (2018: £287,050) a decrease by some 7.2% during the year and we had expenditure of £199,925 (2018: £282,848) a decrease of 29%, giving a net contribution of some £66,398 (2018: £4,202) before management charges are applied. Our shops have completed a phase of renovation and repairs during the previous year and this has been reflected in the reduced expenditure charge for the year.

The Hospice Lottery Partnership continues to be a vital source of income for MSHC and each of the partners received an increased distribution for the year, amounting to £206,250 (2018: £179,250). MSHC joined The Hospice Lottery Partnership in 2005 and since then has received over one and three quarter million pounds for which we are extremely grateful.

Another important source of income for the Charity is the Sobell Bridge Club and this year we received £36,000 (2018: £40,000) from them, adding to the three quarters of a million pounds already donated by the bridge club since 1992.

Once again we are indebted to the Sandy Lodge Golf Club who kindly hosted the MSHC Golf Day which contributed to our funds £29,626 (2018: £27,601); Other income; Light up a Life raised £7,442 (2018: £8,584), and the MSHC Bike Ride added to our funds £8,823 (2018: £18,810).

Our largest event of the year again was The Ladies in the Night Walk and this is the opportunity for all the staff to get involved, along with a huge number of volunteers who give their time to this occasion. This year we raised, after all expenses, £56,911 (2018: £69,075) a tremendous effort with over 600 walkers taking part. The total raised since its inception in 2010 has exceeded half a million pounds.

The MSHC team organised a number of events during the year including very successful Quiz Nights, which raised £4,652 after expenses.

Our thanks go as well to the MSHC volunteer gardeners who organise the annual Plant Sale and raised £1,438 from their sale in 2018.

We ran a number of appeals during the year through our newsletter, direct and seasonal marketing campaigns. Together, these appeals raised £2,221.

We are well supported by a wide range of local community organisations, clubs, groups, schools, colleges and individuals. Our fundraising and marketing teams support these groups often providing banners, posters, leaflets and promotion as well as attending and speaking at many events.

Community and externally organised events raised £112,947 (2018: £170,829). We are again indebted to our community in supporting the Charity throughout the year. Some examples of the support include, Mehfil Evening of Music & Poetry raised £1,924; Ruislip Belles and Beaux Bell ringers raised £3,200.00; Ruislip High School Charity walk raised £3,319.23; Events4tracey contributed £3,823.07; and St Martin's School added £6,500. Our thanks and appreciation to everyone involved in these and the many other events run on our behalf.

Fundraising income from all the activities, large or small, is appreciatively acknowledged and our sincere thanks go to all our supporters and the organisers of the events. We would like to thank all those individuals and businesses for their donations and fundraising efforts on our behalf.

My thanks go to the Board of Trustees, themselves volunteers for the Charity, for their support and guidance throughout the year. We have a skill mix on the Board, which ensures that the business and governance of the Charity is scrutinised, reviewed and supported well. Mazars have been our auditors for the last 5 years and I would like to offer my thanks to them not just for the audit process, but also for their accessible support and advice throughout the year.

We have some wonderful office volunteers and staff who undertake the tasks of maintaining our computer systems and our financial records as well as processing and acknowledging cash and cheque income. They are an enthusiastic and committed team, and the Trustee Board thanks them all for their continuing support.

#### ***Investment policy and objectives***

The Charity's investments are managed by the Banking and Investment Committee, a Board sub-committee, which meets regularly to review the investment objectives and monitor the Charity's funds and report directly to the Board.

The overall objective is to invest the reserve assets of the Charity prudently so that funds are available if the reserves are needed to support expenditure. Also, to the extent possible within that constraint, to earn as much income and capital gain as possible with due and proper consideration for future needs and the maintenance of, and if possible, the enhancement of the value of the invested funds while they are retained.

The Trustees have agreed to hold about one half of the assets of the Charity in equity investments and about one third in a series of fixed term cash deposits that mature at regular intervals over the following 12 months. The Trustees have decided to delegate the management of the quoted investment to authorised Investment Fund Managers.

The Charities Aid Foundation (CAF) has been appointed to manage part of the Charity's quoted investment funds. At present, these investments comprise entirely of "Open-ended Collective Investment Scheme" (OEIC) shares. CAF funds are managed by Octopus Investments and they are regulated by the Financial Conduct Authority.

The Charities Official Investment Fund (COIF) has been appointed to manage part of the Charity's quoted investment funds. COIF funds are managed by Churches, Charities and Local Authorities (CCLA) Fund Managers and they are regulated by the Financial Conduct Authority.

A further investment is held in an index tracking Exchange Traded Fund that invests in large high dividend UK stocks. These funds are managed by Blackrock Asset Management Ireland and they are regulated by the Central Bank of Ireland.

The Investment performance of the Charity's investments is monitored regularly by the Banking & Investment Committee. This Committee has been established to monitor and maximise the return on investments for the



Charity. Members of the committee are Trustees or appointed advisors. Any adverse movement in the investments will be reflected in the monthly management accounts. The Banking & Investment Committee reports to the Board at their scheduled meetings or at any time if deemed necessary.

An investment in the Hospice Lottery Partnership falls outside this investment policy and is detailed in note 1 of the accounts.

### ***Risks and uncertainties***

The Charity's Trustees have considered the major risks to which the Charity is exposed and satisfied themselves that systems or procedures are established to manage those risks. Major risks are those that have a major impact and a probable or highly probable likelihood of occurring.

If they occurred, they would have a major impact on some or all of the following areas:

- Governance;
- Reputation;
- Finances;
- Compliance with law or regulation.

Any of these major risks and their potential impacts could change the way Trustees, supporters or beneficiaries might deal with the Charity. The Risk Register is a tool, which enables the Charity to understand its comprehensive risk profile and identifying each major risk to which the Charity is potentially exposed. The Register is reviewed and updated by the Board of Trustees annually.

### ***Principal funding sources***

The Charity held unrestricted reserves not invested in buildings (but including unexpended legacies) at the end of the reporting period of £1,285,770.

### ***Fundraising***

The fundraising team adopts a supporter-led approach to fundraising and seeks where possible to build sound long term relationships with supporters.

The charity has adopted the Code of Practice of the Fundraiser Regulator. In the year 2018/19 there was no complaints about the fundraising activities. The Charity does not use professional fundraisers or involve commercial participants.

The Charity does run three shops and a warehouse which are managed by paid managers and volunteer staff and principally sells donated goods.

The Hospice Lottery Partnership continues to provide much valued funds through the hospice lottery and the Charity received £206,250 in the year.

### ***Reserves policy***

Given the high proportion of 'non-recurring' income received in recent years by way of bequests, the Trustees consider it prudent to try and retain sufficient reserves to enable the Charity to continue to provide services at the present level for a period of twelve months should it become wholly reliant on income generated by fundraising activities. To achieve this, a reserve of approximately £1.4m would be required to allow for ongoing annual expenses. This will afford the Trustees sufficient time to implement a review of the level of support for MSHC and to revise the fundraising strategy. The Trustees will continue to strive to return to a 12-month level of reserves.



#### **Plans for future periods**

The Charity will restructure the staff team to reflect the change in income generation streams and maximise its fundraising potential.

The Charity will recruit additional Trustees to the Board in line with its skills requirement profile.

The Charity will prioritise its profiling in the local community through marketing and public media opportunities.

The Charity is in continual dialogue with NHS colleagues regarding the Hospice Unit and the wider hospital site, with regard to future hospital and hospice building plans and will take account of any plans into its strategy deliberations. The Charity needs to be in a position to work with the NHS on the future provision of end of life care services generally.

The charity has considered the effects of Brexit on its ability to raise funds. As all our income comes from local fundraising and donations the Trustee's consider that Brexit will not impact materially on our fundraising efforts.

*(See post year end statement on page 4)*

#### **Structure, Governance and Management**

##### ***Governing Document***

Michael Sobell Hospice Charity is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 November 1998, revised in October 2018. It is registered as a Charity with the Charity Commission.

##### ***Appointment of Trustees***

Most people have some skills, knowledge or experience that they can bring to a Charity. In addition, Trustees should have a strong personal commitment to the Charity's aims and objectives. It is also essential that there are no legal or other barriers to a Trustee's appointment.

To optimise our effectiveness, we recruit a diverse Board with a broad range of skills, knowledge and experience. When preparing to recruit new Trustees we seek to increase or at least maintain the diversity of our Trustee Board, whilst ensuring we have the correct skillset for continuity.

As well as achieving a balance in skills and experience, we also aim to achieve greater diversity by reaching out into communities that are not presently represented.

Responsibility for the recruitment of new Trustees rests with the Governance Committee and ultimately the Board. There is an open and efficient process, which always acts in the best interests of the Charity. Before appointing a new Trustee, the Trustee Board ensures that the appointment meets the requirements of the Charity's governing document and the law. Before appointing a Trustee, the Trustee Board obtains a declaration from the prospective Trustee that they are not disqualified.

##### ***Trustee induction and training***

New Trustees undergo an orientation programme to brief them on their legal obligations under Charity and company law, the committee and decision-making processes, the business plan and recent financial performance of the Charity. During the induction period, they meet the other members of the Trustee Board and the staff team. Trustees are encouraged to attend appropriate external events to increase their knowledge and understanding of the role and the wider charity sector.

MICHAEL SOBELL HOSPICE CHARITY (formerly Friends of Michael Sobell House)  
**TRUSTEES REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**Organisation**

The Board of Trustees, which can have up to 15 members, administers the Charity. The Board normally meets five times in a year and there are sub-committees covering finance, governance, investments and patient care and support. The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and service delivery.

The closure of the inpatient unit has caused considerable disruption to the organisation and since the departure of the Chief Executive, at the end of March 2019; responsibility for the day to day running of the Charity is with the Board of Trustees.

The Board is currently meeting on a monthly basis to manage the organisation. When the Inpatient Unit reopens the trustees will review the management structure of the Charity.

**Related parties and co-operation with other organisations**

None of our Trustees receive remuneration or other benefit from their work with the Charity. Any connection between a Trustee or senior manager of the Charity with a contractor or supplier or professional services must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

**Pay policy for senior staff**

The directors are the Charity's Trustees. 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 (see organisation note). All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 10 to the accounts. The pay of the senior staff is reviewed annually and benchmarked against pay levels in other comparable charities, the voluntary sector and similar roles.

**Directors and Trustees**

The directors of the charitable company (the Charity) are its Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year-end were as follows:

Chair	Rosalind Williams	Chair	(until 30 June 2019)
Directors	Satish Kanabar		
	Joe Sandercock	Co-opted 25 October 2018	
	Rod Lacey	Co-opted 25 October 2018	
	Michael Breen	from 5 December 2018	Chair from 1 July 2019
	Doug Edmonds	from 5 December 2018	
	Ian Chandler	from 7 May 2019	
	Scott Seaman-Digby	[resigned 23 May 2018]	
	Rowena Dean	[resigned 25 October 2018]	
	John Hensley	[resigned 25 October 2018]	
	Jim Sutcliffe	[resigned 25 October 2018]	
	Daksha Dodhia	[resigned 21 November 2018]	
	Jean Seymour	[resigned 20 February 2019]	
Adviser to Board	Eddie O'Sullivan		
Treasurer	Harvey Adams		



**Key management personnel in 2018/19:**

Chief Executive:	Judi Byrne	(to 31 March 2019)
Accounts and Administration Manager:	Glyn Halliday	(to 24 August 2018)
Accounts Manager:	Elizabeth Akeula	(from 24 Aug 2018)
Income Generation:	Ophelia Chambers-Henry	

**Trustees' responsibilities in relation to the financial statements**

The Charity Trustees (who are also the directors of Michael Sobell Hospice Charity for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Charity Trustees to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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;
- 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 that the Charity 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 Charity 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 hence 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.



MICHAEL SOBELL HOSPICE CHARITY (formerly Friends of Michael Sobell House)  
TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2019

---

***Statement as to disclosure to our auditor***

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

***Appointment of auditor***

A resolution will be proposed at the Annual General Meeting that Mazars LLP be reappointed as auditor to the Charity for the ensuing year.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board of Trustees



Michael Breen  
Chair

Date: 9 December 2019

## Independent auditor's report to the members of Michael Sobell Hospice Charity (formerly Friends of Michael Sobell House)

### Opinion

We have audited the financial statements of Michael Sobell Hospice Charity (formerly Friends of Michael Sobell House) (the 'charity') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 FRS 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 charity's affairs as at March 2019 and of 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 charity 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.

### The impact of uncertainties due to the United Kingdom exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 10.

The terms on which the United Kingdom may withdraw from the European Union are not clear and it is therefore not currently possible to evaluate all the potential implications to the Group's and Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Group and Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Group's and company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

### 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:

MICHAEL SOBELL HOSPICE CHARITY (formerly Friends of Michael Sobell House) Company Number 3677413  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

---

- 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 charity'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.

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 which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' 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 and proper 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 trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.



### Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

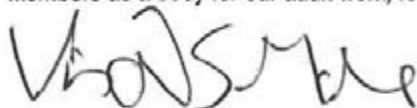
### Auditor's responsibilities for the audit of the financial statements

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.

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 the audit report

This report is made solely to the 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 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Vincent Marke

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF

Date:

12 December 2019

MICHAEL SOBELL HOSPICE CHARITY (formerly Friends of Michael Sobell House) Company Number 3677413  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

INCOME AND EXPENDITURE	Notes	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £	2018 Total Funds £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and gifts	3	168,771	850	169,621	272,264
Bequests and legacies	23	100,753	-	100,753	189,420
Grants received	4	-	12,380	12,380	18,690
Fundraising – gross income	5	242,755	-	242,755	358,513
Lottery income	5	206,250	-	206,250	179,250
Retail income	5	266,323	-	266,323	287,050
Interest and investment income	6	27,917	-	27,917	32,5608
Services income		300	-	300	4,334
Tax received		30,153	-	30,153	32,275
<b>Total income</b>		<b>1,043,222</b>	<b>13,230</b>	<b>1,056,452</b>	<b>1,374,404</b>
<b>EXPENDITURE ON:</b>					
Charitable contribution	7	679,380	22,492	701,873	899,626
Raising funds (incl. Mgmt and Governance charges - note 10)	8	245,848	3,112	248,960	333,630
Shops and Retail (incl. Mgmt and Governance charge – note 10)	9	245,345	1,245	246,590	331,189
<b>Total expenditure</b>		<b>1,170,573</b>	<b>26,849</b>	<b>1,197,423</b>	<b>1,564,445</b>
Total gain/(loss) on investments		9,930	-	9,930	(15,308)
<b>Net movement in funds</b>		<b>(117,422)</b>	<b>(13,619)</b>	<b>(131,041)</b>	<b>(205,349)</b>
Total funds brought forward at 1 April		1,412,246	17,598	1,429,844	1,635,193
Transfer between funds		-	-	-	-
<b>Total funds carried forward at 31 March</b>		<b>1,294,824</b>	<b>3,979</b>	<b>1,298,803</b>	<b>1,429,844</b>


The notes on pages 20 to 31 form part of these financial statements

MICHAEL SOBELL HOSPICE CHARITY (formerly Friends of Michael Sobell House) Company Number 3677413  
**STATEMENT OF BALANCE SHEET**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	12	9,055	14,432
Investments	13	770,405	760,476
		<u>779,459</u>	<u>774,908</u>
<b>CURRENT ASSETS</b>			
Debtors and prepayments	14	118,734	68,341
Short term investments		285,692	309,007
Cash and cash equivalents		424,136	475,483
<b>TOTAL CURRENT ASSETS</b>		<u>828,562</u>	<u>852,831</u>
<b>CREDITORS:</b>			
Amounts falling due within one year	15	(309,219)	(197,895)
<b>NET CURRENT ASSETS</b>		<u>519,343</u>	<u>654,936</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,298,802</u>	<u>1,429,844</u>
<b>CREDITORS:</b>			
Falling due after more than one year		-	-
<b>TOTAL NET ASSETS</b>		<u>1,298,802</u>	<u>1,429,844</u>
<b>FUNDS</b>	16		
Unrestricted funds:			
General		639,824	621,246
Bequest		655,000	791,000
Restricted		3,979	17,598
<b>TOTAL FUNDS</b>		<u>1,298,803</u>	<u>1,429,844</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the Directors and Trustees of the Michael Sobell Hospice Charity and authorised for issue on 9 December 2019 and signed on its behalf by:



Michael Breen  
Chair



Harvey Adams  
Treasurer

The notes on pages 20- 31 form part of these financial statements.



MICHAEL SOBELL HOSPICE CHARITY (formerly Friends of Michael Sobell House) Company Number 3677413  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	2019		2018	
	£	£	£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net Incoming/(outgoing) resources		(131,041)		(205,349)
<i>Adjustments for:</i>				
Depreciation	5,378		17,326	
(Gains)/Loss on investments (unrealised)	(9,930)		11,719	
Investment income	(24,112)		(29,756)	
(Increase)/decrease in stock	-		45	
(Increase)/decrease in short term deposits	23,315		143,275	
(Increase)/decrease in debtors	(50,394)		118,077	
(Decrease)/increase in creditors	<u>111,324</u>		<u>73,981</u>	
	55,582			334,666
<b>Net cash Outflow from Operating Activities</b>		<u>(75,459)</u>		<u>129,318</u>
Purchase of fixed assets (increase)	-		17,735	
Investment income	24,112		29,756	
Realised gain on investments	-		(3,590)	
Net purchases of investments	<u>-</u>		<u>197,916</u>	
<b>CASH FLOWS GENERATED FROM INVESTING ACTIVITIES</b>		<u>24,112</u>		<u>213,528</u>
<b>NET INCREASE/ (DECREASE) IN CASH</b>		(51,347)		342,844
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>		475,484		132,640
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>		<u>424,137</u>		<u>475,484</u>
		=		

## 1. ACCOUNTING POLICIES

### General information

Michael Sobell Hospice Charity is a company limited by guarantee, incorporated in England and Wales. The address of its registered office and principal place of business is disclosed in the company information.

The principal activity of the Charity is to raise funds to provide a range of support for the clinical team at Michael Sobell Hospice in providing relief and palliative care to patients and their families and to support the charitable work of the Hospice.

The financial statements are presented in Sterling and this is the functional currency of the Charity.

### Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. In preparing the financial statements the Charity follows best practice as set out in the Statement of Recommended Practice: 'Accounting and Reporting by Charities' (SORP 15), the Financial Reporting Standard applicable in the United Kingdom and Ireland Financial Reporting Standard 102 (FRS102) and the Charities and Companies Acts.

### Going Concern

The financial statements have been prepared using the going concern assumption, for further details please see the Chair's statement on page 2.

### Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of fixed asset investments which are included at market value.

### Donations and gifts received

Income from donations and gifts has been accounted for on a cash received basis. Donations include monies received under Gift Aid on which tax will be reclaimed and received in the next financial year. Membership fees received are on an annual basis and are accounted for when received.

No amounts are included in the financial statements for services donated by volunteers as it is impossible to calculate the value with the required level of accuracy.

### Grants received

Grants are accounted for when the Charity becomes entitled to receive them. Where restrictions are placed by the grant maker as regards the period during which a grant can be utilised by the Charity, an appropriate amount is deferred to future periods.

### Bequests received

Bequests are recognised as part of total incoming resources for the year as required by Statement of Recommended Practice relating to Charities. Bequests of £10,000 or over are then amortised internally at the rate of 25% per annum by means of a transfer to and from a bequest reserve. The net movement in funds for the year as shown in the Statement of Financial Activities remains unchanged.

Bequests are accounted for when received unless notified earlier of an impending distribution. Where the amount and timing of such a distribution can be determined with reasonable accuracy the bequest is recognised at the point of the Charity receiving notification. There were four bequests totalling £47,500, notified prior to receipt such that would fall to be recognised as part of incoming resources for the year.

**1. ACCOUNTING POLICIES (continued)**

**Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to each particular category. Where costs cannot be directly attributable to particular headings they are allocated to activities on a basis consistent with the use of those resources. Direct charitable expenditure represents costs incurred in meeting the objects of the Charity.

Fundraising costs are those incurred by the Charity in seeking voluntary donations as well as in relation to particular fund-raising events.

Shops and Retail costs are those incurred by the Charity in running its shops, warehouse and merchandise activity.

Support costs (formerly management and administration costs) are those incurred in connection with administration of the Charity and compliance with its constitutional and statutory requirements and are then charged to the relevant activities.

**Termination Benefits**

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Charity recognises termination benefits when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

**Governance**

Governance Costs allow the Charity to generate information required for public accountability. They include costs for strategic and legal obligations and include audit fees and the preparation of the accounts. They will also include a share of applicable support costs.

**Investments**

Investment assets comprising UK listed investments are stated at quoted market value. Unquoted investments are stated at market value as assessed by the directors.

On 3 January 2005, FoMSH purchased shares in the Hospice Lottery Partnership Ltd at a cost of £207,000. This is an unquoted investment and the directors wrote down the cost of this investment to a value of £70,000 which equated at the time to approximately the annual income. Income arising from the lottery is dependent on membership subscriptions and individual ticket sales made by the participants. The directors consider, therefore, that lottery income is in the nature of fundraising rather than investment income and it is shown in the financial statements accordingly. During the year to March 2014, FoMSH acquired further shares in HLP at a cost of £16,667, when one of the Hospices left the partnership. As a result, the directors' valuation of this unquoted investment is now £86,667.

Rowena Dean (Director of FoMSH) was a director of the Hospice Lottery Partnership during the financial year.

**Stocks**

Stocks are stated at the lower of cost or net realisable value.



#### **Fixed Assets**

Material fixed assets used by the Charity are capitalised in accordance with the Statement of Recommended Practice relating to charities and Financial Reporting Standard No: 15 "Tangible Fixed Assets". No material fixed assets, other than investments, were employed by the company as at 31 March 2018.

Where fixed assets are donated to the relevant NHS Trust, they are excluded from the assets of the Charity. In the opinion of the Directors and Trustees the assets thus donated cease to be employed by the Charity in its activities.

#### **Cash and Cash equivalents**

Cash and cash equivalents are cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### **Pensions**

The pension costs charged against results in the year represent the amount of the contributions payable in respect of the accounting period.

#### **Leased Assets**

Payments made under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

#### **Financial instruments**

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

#### **Judgments in applying accounting policies and key sources of estimation uncertainty**

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

The key estimates and assumptions made in these accounts are the allocation of central support costs which are allocated on a basis using an estimated time and effort percentage [note 10] and the lottery investment which is held at Director's valuation which takes into consideration both the annual income from this investment and the expected sales value should the shares be sold [note 13]. Legacy income is recognised when the requirements of certainty, measurability and entitlement are met and this year £47,500 (2018: £18,928) has been included in these accounts.

## **2. SHARE CAPITAL**

The Charity has no share capital. The liability of its members is limited to £1 each.

MICHAEL SOBELL HOSPICE CHARITY (formerly Friends of Michael Sobell House)  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED 31 MARCH 2019

3. DONATIONS AND GIFTS

	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £	2018 Total Funds £
<b>Donations</b>				
General	50,521	850	51,371	86,550
In Memory	82,597	-	82,597	145,850
Standing orders and membership	21,187	-	21,187	20,811
Collecting boxes	14,466	-	14,466	19,053
<b>TOTAL</b>	<b>168,771</b>	<b>850</b>	<b>169,621</b>	<b>272,264</b>

Donations received from the League of Friends of MSH this year amounted to £5,176 (2018: £nil). This was the final payment from the League of Friends of MSH.

No material gifts in kind were received during the year.

4. GRANTS (RESTRICTED FUNDS)

	Unrestricted £	Restricted £	2019 Total £	2018 Total £
Unrestricted grants and trusts	-	-	-	3,690
Restricted grants and trusts	-	12,380	12,380	15,000
	-	12,380	12,380	18,690

For additional analysis of restricted income - see note 16

5. FUNDRAISING AND RETAIL INCOME

Fundraising is stated in the accounts showing the gross income in the incoming resources and the expenditure incurred directly related to the event in the Resources Expended.

	Income £	Expenditure £	2019 Surplus Income £	2018 Surplus Income £
Fundraising events	120,145	17,130	103,015	136,758
External fundraising	112,947	4,141	108,806	170,438
Appeals	9,663	2,520	7,142	5,871
Misc. fundraising				
<b>Total Fundraising</b>	<b>242,755</b>	<b>23,791</b>	<b>218,964</b>	<b>313,066</b>
Shops and Retail	266,323	199,925	66,398	4,202
Hospice Lottery	206,250	-	206,250	179,250
<b>Total Fundraising and Retail</b>	<b>824,813</b>	<b>223,716</b>	<b>491,612</b>	<b>496,518</b>

Expenses recorded under Shops and Retail include the sum of £93,738 in respect of staff salaries (2018: £109,903).

Expenses recorded here for fundraising are the direct costs of each activity. See note 8 for full fundraising costs.

6. INTEREST AND INVESTMENT INCOME

	2019 £	2018 £
Bank interest	3,805	2,851
Income from investments	24,112	29,757
	<u>27,917</u>	<u>32,608</u>

7. DIRECT CHARITABLE EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
MSH Clinical staffing	566,620	-	566,620	731,098
Patient and Family Support salaries	6,564	-	6,564	65,655
Education, staff training and courses	-	-	-	364
New equipment, repairs and servicing	-	-	-	1,022
Patient support	2,710	19,355	22,066	13,939
Staff support	-	1,270	1,270	345
<b>Total Direct Charitable Expenditure</b>	<u>575,894</u>	<u>20,625</u>	<u>596,519</u>	<u>812,433</u>
Management and governance support costs	103,487	1,867	105,354	87,203
	<u>679,380</u>	<u>22,492</u>	<u>701,873</u>	<u>899,626</u>

8. FUNDRAISING AND PUBLICITY

	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
Fundraising employment costs	89,925	-	89,925	147,467
Publicity, promotion and sundries	42,373	-	42,373	65,312
<b>Total fundraising and publicity expenses</b>	<u>132,298</u>	<u>-</u>	<u>132,298</u>	<u>212,779</u>
Management costs allocated to fundraising	113,551	3,112	116,663	120,852
	<u>245,848</u>	<u>3,112</u>	<u>248,960</u>	<u>333,630</u>

We are required by Charity Accounting rules to allocate our management and governance costs across our activities. Note 10 gives a breakdown of the percentage allocations which are based on staff time per activity.



9. RETAIL AND SHOPS

	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
Retail employment costs	93,738	-	93,738	109,903
Retail costs	106,187	-	106,187	172,945
<b>Total retail expenses</b>	<b>199,925</b>	<b>-</b>	<b>199,925</b>	<b>282,848</b>
Management costs allocated to retail	45,420	1,245	46,665	48,341
	<u>245,345</u>	<u>1,245</u>	<u>246,590</u>	<u>331,189</u>

We are required by Charity Accounting rules to allocate our management costs across our activities. Note 10 gives a breakdown of the percentage allocations which are based on staff time per activity.

Costs during the year include work on shops' leases as well as repairs and renewals and health and safety improvements.

10. MANAGEMENT SUPPORT AND GOVERNANCE COSTS - REALLOCATION

	2019 £	2018 £
Management employment costs	129,354	176,723
Management costs	103,971	64,980
	<u>233,325</u>	<u>241,703</u>
Governance costs	35,357	14,692
<b>Total</b>	<b><u>268,682</u></b>	<b><u>256,395</u></b>

	Charitable Activities	Fundraising	Retail and Shops	2019 Total
Reallocation of management costs	30%	50%	20%	
	£69,998	£116,663	£46,665	£233,325
Reallocation of Governance costs	100%	0%	0%	
	£35,357			£35,357

Management support costs are reallocated on the basis of staff time per activity. The Charity Commissioners require us to allocate our management support costs across our activities and to show the cost of governing the Charity. This is reflected in the accounts. These allocation percentages show more fairly the spread of people and activities.

The new Charity SORP FRS 102 advises that governance costs are reallocated to charitable activities. These include auditors' fee, legal costs, and training and Trustee expenses. There were no trustee expenses in the year. Audit fees for the year were £6,950 (2018: £9,636)

## 11. EMPLOYEE INFORMATION

The average numbers of employees across the year were as follows: (2018 figures are shown on the same basis).

	2019 Number	2018 Number
Clinical (direct charitable)	20	29
Fundraising and publicity (including shops)	11	8
Support staff	3	3
	<u>34</u>	<u>40</u>

The number of staff expressed as Whole Time Equivalents is 25.7 and this figure includes 19.6 WTE clinical staff.

Wages and Salaries	280,869	356,306
Social Security Costs	16,296	25,701
Pension Costs	12,181	10,628
	<u>309,346</u>	<u>392,635</u>

All clinical staff were employed via East & North Hertfordshire NHS Trust and not directly by Michael Sobell Hospice Charity. The Charity allocated funds for these posts

There were no Charity employees earning over £60,000 per annum.

No Trustee received remuneration (2018: £nil) and there were no Trustee expenses (2018: £nil).

The Key Management Personnel totalled £122,639 for the year (2018: £100,450) which was in respect of 3 employees (2018: 2).

## 12. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Office Equipment £	Total £
<b>Cost</b>			
As at 1 April 2018	38,673	18,971	57,644
Additions during year	-	-	-
Disposals	-	-	-
As at 31 March 2019	<u>38,673</u>	<u>18,971</u>	<u>57,644</u>
<b>Depreciation</b>			
As at 1 April 2018	38,673	4,538	43,211
Charge for the year	-	-	-
Eliminated on disposal	-	5,378	5,378
As at 31 March 2019	<u>38,673</u>	<u>9,916</u>	<u>48,589</u>
<b>Net Book Value</b>			
As at 31 March 2019	-	9,055	9,055
As at 31 March 2018	-	14,433	14,433

MICHAEL SOBELL HOSPICE CHARITY (formerly Friends of Michael Sobell House)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2019

13. FIXED ASSETS INVESTMENTS

	2019 £	2018 £
<b>Quoted investments</b>		
Market value as at 1 April	673,808	887,032
Proceeds from sales	-	197,916
Cost of purchases	-	-
Market value as at 31 March	683,738	673,808
Realised Gain	-	(3,590)
Unrealised Gain	9,930	(11,719)
<b>Total Gain/(loss)</b>	<b>9,930</b>	<b>(15,308)</b>
<b>Unquoted investments</b>		
Directors' value as at 1 April	86,667	86,667
Additions	-	-
Depreciation	-	-
<b>Directors' value as at 31 March</b>	<b>86,667</b>	<b>86,667</b>
<b>Total value of investments as at 31 March</b>	<b>770,405</b>	<b>760,475</b>
Historic cost of quoted investments as at 31 March	576,448	576,448
Historic cost of unquoted investments as at 31 March	205,810	205,810
<b>Historic cost of all investments as at 31 March</b>	<b>782,258</b>	<b>782,258</b>

14. DEBTORS

	2019 £	2018 £
Hospice Lottery accrued income	25,750	22,000
Legacy income notified but not received	47,500	18,921
Prepayments	1,664	7,533
Other debtors	43,820	19,887
<b>TOTAL</b>	<b>118,734</b>	<b>68,341</b>

15. CREDITORS: falling due within one year

	2019 £	2018 £
Taxation and social security	3,551	6,445
Trade creditors	13,402	159,806
E&NT accrued salaries + LBH accrued salaries	271,580	-
Deferred income for future events	3,150	21,651
Other accruals	17,536	9,992
	<b>309,219</b>	<b>197,894</b>



MICHAEL SOBELL HOSPICE CHARITY (formerly Friends of Michael Sobell House)  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED 31 MARCH 2019

16. RECONCILIATION OF FUNDS

	Opening Balance at 1 April 2018 £	Gains/ Income £	Expenditure £	Transfers £	Closing Balance at 31 March 2019 £
Unrestricted General	621,246	1,053,152	1,170,573	136,000	639,824
Unrestricted Bequest	791,000			(136,000)	655,000
<b>Restricted Funds</b>					
Derek Stewart Group	-	10,000	9,913	-	87
Berkhamsted Benevolent [1]	6,224	-	6,224	-	-
Berkhamsted Benevolent [2]	8,535	-	6,603	-	1,932
Ldn. Borough of Hillingdon	1,488	-	1,488	-	-
Masonic charity foundation	-	2,380	1,270	-	1,110
Other restricted funds	1,351	850	1,351	-	850
<b>Total Restricted Funds</b>	<b>17,598</b>	<b>13,230</b>	<b>26,849</b>	<b>-</b>	<b>3,979</b>
<b>Total Funds</b>	<b>1,429,844</b>	<b>1,066,382</b>	<b>1,197,423</b>	<b>-</b>	<b>1,298,803</b>

Unrestricted Bequest Fund - this fund is used to designate legacies and bequests that are received each year to protect the Charity from volatility in this income stream. During the year £62,000 was transferred in, £198,000 was transferred out; resulting in a net transfer of £136,000 from the Bequest Reserve to the General Reserve.

The Berkhamsted and Boxmoor B T Benevolent Society fund [1] is restricted for the purchase of computer hardware and software. The balance is now Nil.

The Berkhamsted and Boxmoor B T Benevolent Society fund [2] is restricted for the purchase of patient amenities. The balance of £1,932 is taken forward for future purchases.

The Derek Stewart Group fund is restricted to fund clinical staff posts. The balance of £87 is taken forward to fund future clinical staff posts.

The remaining funds are for patient support.

17. NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2019 Total £
Fixed Assets	9,054	-	-	9,054
Investments	115,405	655,000	-	770,405
Current Assets	824,583	-	3,979	828,562
Current Liabilities	(309,219)	-	-	(309,219)
<b>Total</b>	<b>639,823</b>	<b>655,000</b>	<b>3,979</b>	<b>1,298,802</b>

**18. PREVIOUS YEAR'S STATEMENT OF FINANCIAL ACTIVITIES**

INCOME AND EXPENDITURE	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £
<b>INCOMING AND ENDOWMENTS FROM:</b>			
Donations and gifts	260,914	11,350	272,264
Bequests and legacies	189,420	-	189,420
Grants received	3,690	15,000	18,690
Fundraising – gross income	343,513	-	343,513
Lottery income	179,250	-	179,250
Retail income	287,050	-	287,050
Interest and investment income	32,608	-	32,608
Services income – education courses	4304	30	4334
Tax received	32,275	-	32,275
<b>Total incoming resources</b>	<b>1,348,024</b>	<b>26,380</b>	<b>1,374,404</b>
<b>EXPENDITURE ON:</b>			
Charitable contribution	877,402	22,224	899,626
Raising funds	327,576	6,054	333,630
Shops and Retail	328,787	2,422	331,189
<b>Total expenditure</b>	<b>1,533,745</b>	<b>30,700</b>	<b>1,564,445</b>
<b>Other recognised gains and losses</b>			
Net loss on investments	(15,308)	-	(15,308)
<b>Net movement in funds</b>	<b>(201,029)</b>	<b>(4,320)</b>	<b>(205,349)</b>
Balance brought forward at 1 April	1,597,455	(37,738)	1,635,193
Transfer between funds	15,820	(15,820)	-
<b>Balance carried forward at 31 March</b>	<b>1,412,246</b>	<b>17,598</b>	<b>1,429,844</b>

## 19. FINANCIAL INSTRUMENTS

At 31 March 2018 the Charity was committed to making the following payments under non-cancellable operating leases in the year.

	2019	2018
Financial assets measured at fair value through profit and loss	424,136	475,483
Financial assets that are debt instruments measured at amortised cost	117,070	60,808
	<u>541,206</u>	<u>536,291</u>
Financial liabilities measured at amortised cost	<u>306,069</u>	<u>176,244</u>

Financial assets measured at fair value through profit or loss comprises of cash and cash equivalents.

Financial assets measured at amortised cost comprise of accrued income and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

## 20. SHOP AND RETAIL LEASES

At 31 March 2016 the Charity was committed to making the following payments under non-cancellable operating leases in the year.

	2019 £	2018 £
Expiring		
Within 1 year	68,600	65,500
Within 2-5 years	91,203	65,875
Greater than 5 years	25,000	-
	<u>184,803</u>	<u>131,375</u>

The Charity continues to be in negotiations to renew and extend the term of the lease on its Northwood shop premises. The amount committed for the forthcoming year including this shop is £60,225 (2018: £90,600).

## 21. PENSION COMMITMENTS

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £12,181 (2018: £10,628). Contributions totalling £nil (2018: £nil) were payable to the fund at Balance Sheet date.

## 22. RELATED PARTY INTERESTS

During the year, Rowena Dean was a Director of the Hospice Lottery Partnership in which the Charity has a one sixth interest. Income received in the year was £206,250 (2017: £179,250) with an amount due from Hospice Lottery Partnership of £25,750 (2018: £22,000).



## 23. POST BALANCE SHEET STATEMENTS

The legacy income total for year of £100,753 (2018: £189,420) includes £47,500 (2018: £18,928) of anticipated bequests which had not been received at the end of the year. We are also aware of additional legacies with unknown value at the year end. These will be income for the year 2019/20.

See post-audit statement at the end of the Chairman's Report on page 4

