

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

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

**Welcome to the Annual Report of St Oswald's Hospice Limited for the financial year ended 31 March 2019.**

Here you will find out all about our work, who we care for and how we operate. We have also detailed our mission and our objectives and highlighted both our achievements this year and our strategic plans going forward.

This report also includes a full set of audited financial statements for the year ended 31 March 2019. The financial statements comply with the Charities Act 2016, the Companies Act 2006, 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 (FRS 102) (effective September 2015).

### **Reference and Administrative Details**

St Oswald's Hospice is a company limited by guarantee, number 01166239 (not having a share capital). The company is a Registered Charity, number 503386 and its Articles of Association govern its functions.

St Oswald's Articles of Association were last amended on 29<sup>th</sup> November 2016.

Every member of the company undertakes to contribute to the assets if the company is wound up while he/she is a member, or within one year of ceasing to be a member, such amount as may be required not exceeding £1.00.

### **Our Registered Office**

We are registered at St Oswald's Hospice, Regent Avenue, Gosforth, Newcastle upon Tyne, NE3 1EE. You can contact us by telephone on: 0191 285 0063, by email at: [enquiries@stoswaldsuk.org](mailto:enquiries@stoswaldsuk.org) or by fax on: 0191 284 8004

If you would like to find out more about our work, please go to our website: [www.stoswaldsuk.org](http://www.stoswaldsuk.org) or follow us on [Facebook](#), [Twitter](#) and [YouTube](#).

### **Board of Trustees and Directors**

The Board of Trustees who served during the year are set out on page 4, where you will also find details of our Management Team. Our professional advisors are detailed on page 5.

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

### **Message from our Chair**

At St Oswald's we continue to strive to provide outstanding, high quality, specialist care to people in the North East.

It has been another year of celebrations and achievements at the hospice, beginning with the 15<sup>th</sup> birthday of our Children's Service in July 2018. A summer party for the children and young adults the service supports marked 15 years since we opened the doors to care for children with life-shortening conditions.

To be awarded North East Charity of the Year in 2018 was another huge highlight and privilege. As a charity that was built by our community, we would be unable to provide our services without your support, and the support of our dedicated staff and volunteers.

In addition to these highlights, this year we have developed our services, improved our patient environment and worked closer with other organisations.

We have further built on developing our services around the changing needs of the community, enabling more people to access our specialist services during the day. This has included piloting a new outpatient service for young adults living in Newcastle and Gateshead who are transitioning in to adult health services, establishing a befriending service to benefit adult patients and their carers and introducing new sessions to our range of therapeutic activities within our Focus on Living Centre.

To improve the environment for patients, we have installed a new accessible changing facility in our Focus on Living Centre to meet the needs of patients who have conditions affecting sensory and cognitive impairment; introduced new dementia friendly signage; and plans are in place to extend a family room and improve the garden for families and patients on our Adult Inpatient Unit.

We continue to work in partnership with other local and national organisations to provide outstanding care to the people of the North East. Later in the annual report you will read about our highlights over the year including collaboration with a number of partners to progress our hospice collaboration known formally as 'Hospices North East' and a new Admiral Nurse post working in partnership with Dementia UK.

As always, our vision is to continue developing our services to make sure everyone in our region gets expert, dignified and compassionate care when they need it.

Thank you for your support.

**Marie Liston**  
**Chair**

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

### **Board of Trustees and Management at 31 March 2019:**

#### **Vice-Presidents**

Lady Craft  
Professor Sir Michael D Rawlins  
Mr J Docherty  
Mr C Winskell MBE  
Mrs D Van der Velde  
Mr M P Robson  
Dr K Mannix

#### **Board of Trustees**

Mrs M Liston (Chair)  
Mrs Julie Harrison (Vice Chair)  
Mr B Hedley (Treasurer)

Mrs J Clarke	Mrs D Clasper	Mr K Fanibunda
Dr H Lucraft	Mrs C English	Mrs A Eldson
Mr D Hicks	Mrs T Phillips	Dr N Morris
Mr N Hobdey	Mrs K Jobson	Mr S James

#### **Changes in the year:**

Mr D Hicks was appointed as a Trustee on 25 September 2018.  
Mr M Robson resigned as Chair and a Trustee 27 November 2018.  
Mrs M Liston was appointed as Chair on 27 November 2018.  
Dr S Blades resigned as Vice Chair and Trustee on 27 November 2018.  
Mrs J Harrison was appointed Vice Chair on 27 November 2018.  
Mrs A Eldson was appointed as a Trustee on 27 November 2018.  
Dr N Morris was appointed a Trustee on 26 March 2019.  
Mrs T Phillips was appointed a Trustee on 26 March 2019.  
Mr N Hobdey was appointed a Trustee on 26 March 2019.  
Mrs K Jobson resigned as a Trustee on 1 April 2019.  
Mr S James was appointed a Trustee on 21 May 2019.

The Hospice Management Team who, alongside the Board of Trustees, are also the Organisation's key Management Personnel

Mr J R Ellam	Chief Executive
Mrs K Maclaren	Finance Director
Mrs H A Eadington	Director of Corporate Services and Company Secretary
Mrs A Egde	Director of Care Services
Miss D I Heron	Director of Human Resources
Mrs A Ball	Director of Income and Marketing
Mr S Gordon	Director of Strategy and Development

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

**Our Professional Advisors at 31 March 2019**

**Auditor:**

RSM UK Audit LLP  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

**Solicitors:**

Ward Hadaway  
Sandgate House  
102 Quayside  
Newcastle upon Tyne  
NE1 3DX

Gordon Brown Law Firm LLP  
Hadrian House  
Higham Place  
Newcastle upon Tyne  
NE1 8AF

**Bankers:**

Barclays Bank PLC  
5 St Anne's Street, Quayside  
Newcastle upon Tyne  
NE1 2BH

Yorkshire Bank  
29 Pilgrim Street  
Newcastle upon Tyne  
NE1 6RL

**Investment Managers:**

UBS Wealth Management (UK) Ltd  
2 St James' Gate  
Newcastle upon Tyne  
NE4 7JH

**Health & Safety Advisors:**

Green Dragon Solutions Ltd  
8 Bamburgh Drive  
Wallsend  
NE28 6JX

**Independent Financial Advisors:**

Arthur J Gallagher  
Temple Point  
7<sup>th</sup> Floor  
1 Temple Row  
Birmingham  
B2 5LG

**Insurance Advisors:**

Towergate Insurance Brokers  
Kings Court  
London Road  
Stevenage  
Hertfordshire  
SG1 2GA

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

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

#### **Our Board of Trustees**

St Oswald's Hospice is governed by its Board of Trustees. Trustees are appointed for a four year term of office, by election at Trustee meetings. Trustees may be reappointed for a further term of four years if they put themselves forward for re-election and such reappointment is approved by the other Trustees, but at the end of that period they must step down. As an exception however, at the absolute discretion of Board of Trustees, the Chairman, Vice Chairman and Treasurer may be re-appointed for a maximum of a further five years. Trustees are not paid for the duties they undertake.

A minimum of two places are allocated for the appointment to Trustee posts from St Oswald's volunteer workforce. There are currently three Trustees who regularly volunteer at the Hospice. The Nomination and Remuneration Committee identify other Trustee posts and expertise required within the Board of Trustees.

Recruitment to Trusteeship is achieved by identifying and approaching potential members, advertising vacancies on our website and social media platforms and occasionally we advertise in appropriate media and professional associations. We look to create a Trustee board that offers St Oswald's diversity of skills and expertise and a balance of viewpoints.

All new Trustees follow an induction programme, which has a general component and a section tailored to their individual needs. Trustees are invited to provide feedback on this process, so we can continually look to improve the induction programme.

As part of their involvement in the work of St Oswald's, Trustees visit departments periodically during the year. Staff and volunteers can talk in confidence to Trustees, who then report their overall findings back to the Hospice Management Team (HMT) and recommend changes to be made, as they deem appropriate. Visits are valued by staff, volunteers and Trustees alike, providing insight into the day-to-day operations of St Oswald's and acting as an important communication tool for the organisation. Trustee visit reports are forwarded back to HMT for a management response to any issues raised and copies are made available to each team, members of the Clinical Governance and Quality Committee and all Trustees. Trustees visit our retail shops on a biennial basis, with HMT members undertaking a visit in the intervening year.

#### **Board of Trustee and Director Meetings**

Our Board of Trustees and Directors meet on alternate months in each year and review achievements and progress made against strategic objectives. In October each year, a closed session is held to review its own performance in accordance with good practice. From this work Trustees are able to further define their training needs, as highlighted above.

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

### **Committees**

The Board of Trustees and Directors (also referred to as 'the Board' within this report) have three Committees that aid the conduct of their responsibilities. These are: Audit and Finance Committee; Nomination and Remuneration Committee; and Clinical Governance and Quality Committee.

Most Trustees and Directors serve on one or more of the Committees as noted below:

### **Committee Membership at 31 March 2019**

<b>Audit and Finance</b>	<b>Nomination and Remuneration</b>	<b>Clinical Governance and Quality</b>
<b>Trustees:</b>		
Mr B Hedley (Chairman)	Mrs M Liston (Chair)	Mrs C English (Chair)
Mrs J Clarke	Mrs J Harrison	Mr K Fanibunda
Dr H Lucraft	Mr B Hedley	Mrs D Clasper
Mrs A Elsdon	Mr N Hobdey	Dr N Morris
	Mrs T Phillips	

<b>Attending Directors:</b>		
Mr J R Ellam	Mr J R Ellam	Mrs H A Eadington
Mrs H A Eadington	Mrs H A Eadington	Mrs A Egde
Mrs K Maclaren	Miss D I Heron	Miss D I Heron

Average Trustee attendance at Audit and Finance, Nomination and Remuneration and Clinical Governance and Quality Committee meetings during the year stood at 90%, 69% and 80% respectively.

Average Trustee attendance at the bi-monthly Board meetings stands at 86%. In addition, an Appeal Committee of key local supporters meets regularly with a collective aim of securing donations from high net worth individuals and trusts.

### **St Oswald's Hospice Promotions Limited**

St Oswald's Hospice Promotions Limited is a wholly-owned, non-charitable subsidiary of St Oswald's Hospice Limited and is a company registered in England number 03146260.

The primary activities of the subsidiary are: to run a lottery and to co-ordinate other promotional or trading activities to generate funds for the charity. Taxable profits generated by the subsidiary are passed on to the parent company by Gift Aid.

The Board is currently made up of two Trustees from the holding company (one of whom is the Chair), the Chief Executive of the holding company and two independent Directors. Our Company Secretary, Director of Income and Marketing, Finance Director, Head of Retail, Head of Fundraising and Director of Strategy and Development also attend the meetings.

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

### **Hospice Management Team and Delegation of Powers**

The management of St Oswald's is delegated to the Hospice Management Team (HMT), comprising the Chief Executive and six other Management Team members, each with responsibility for specific aspects of the work the Hospice undertakes. The Chief Executive, with the support of the Management Team, reports to the Board, which approves major decisions and has overall responsibility for the Hospice's activities and direction.

The Board reviews and approves its Reservation of Powers, Delegation of Powers, Scheme of Delegation, Standing Orders and Standing Financial Instructions on a biennial basis to ensure high quality governance, the safeguarding of its assets and the good name of the charity.

### **Changes in our Management Team**

There have been no changes in the Management Team this year.

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

We are contracted to provide care and support to local adults by one Care Trust, three Clinical Commissioning Groups (CCGs) and three acute Hospital Trusts: Northumbria, Newcastle and Gateshead. We also have a Service Level Agreement with Northumberland, Tyne & Wear NHS Foundation Trust in respect of medical revalidation.

With regards to our Children and Young Adults Service, we are contracted to provide specialist short breaks and end of life care (when required) by all six local CCGs. Joint health and social care contracts, with Local Authorities, are in place for under 18's provision.

We train and educate undergraduates and postgraduate students in a range of health care professions from Newcastle University, Northumbria University and Teesside University.

One of our strategic objectives in our Vision 2025, our 10 year plan, recognises the need to work more closely with other organisations to help develop palliative care and end of life services. Further details are included on this later in the report.

We are members of the umbrella organisations Together for Short Lives and Hospice UK, who provide a national voice for children and adult hospices respectively. James Ellam, our Chief Executive, is the North East's representative on Hospice UK's Advisory Council. We pay annual membership fees of £2,760 to Hospice UK. During the year we received £46,153 in fundraising income from Together for Short Lives.

We are also a member of the Hospice Lotteries Association and the Lotteries Council.



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

### **Objectives and Aims**

The principal activity of the Hospice is to provide specialist palliative and end of life care to adults, children and young people from the North East of England.

Our Vision Statement, based upon our principal activity, is:

**Together**, we will make the most of time and improve quality of life for everyone in the North East living with an incurable condition, and their families.

**Together**, with the vital support of our staff, volunteers, donors and supporters, we will continue to develop and grow our services so that everyone in our region gets expert, dignified and compassionate care when they need it.

The Trustees have followed Charity Commission guidance on public benefit in section 4 of the Charities Act 2011 and believe that the above objectives and vision, and the activities described throughout this report are undertaken to further the charity's purposes for the benefit of the public.

### **Policies to Achieve Our Objectives**

#### **Recruitment and Retention of Staff and Volunteers**

We are committed to providing a quality service at St Oswald's. We are able to achieve and maintain this by recruiting the right people, with the right skills, knowledge and attitude into the right roles and then training them fully and managing them effectively.

Our policies and procedures comply with legislative and regulatory requirements, are based on best practice and govern all our activities, ensuring all our staff – paid and unpaid (volunteers) - can work at an optimal level.

St Oswald's policy requires all applicants for paid and voluntary, permanent or temporary posts to disclose, as a minimum, any unspent criminal convictions as part of their application. In addition, the Safeguarding Vulnerable Groups Act 2006 requires that certain roles (paid or voluntary) with access to children or vulnerable adults should be subject to a criminal records check, via The Disclosure and Barring Service (DBS), before employment is offered.

The management team and Trustees remain supportive of the Living Wage, as endorsed by the Living Wage Foundation, and will continue to consider uplifts in line with overall affordability. We therefore plan to work towards reaching the Living Wage, for all eligible staff members, over a number of years.

Our 'values' and linked 'standards of behaviour' are now becoming well embedded across St Oswald's. Our Values are our core beliefs, they explain who we are, how we work, what we believe in and stand for. We use them to communicate who we are to staff and volunteers as part of recruitment and retention strategies.

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

This year our Wellbeing Group merged with the Staff Engagement Group. The group has identified wellbeing as one of the main themes for our 2018-2021 People Strategy. Our focus will be to build on a wide range of provision in place to support staff and volunteers through the launch of the five ways to wellbeing, an initiative supported by the NHS and national charity Mind.

The Engagement group continues to focus its work and actions in response to the outcomes of the bi-annual staff surveys. This year's surveys asked staff for their views on 'leadership' and 'my manager'.

Each year we ensure the delivery of the programmes of education necessary for our staff and volunteers to undertake their roles safely and knowledgeably. This year we facilitated the delivery of 54 courses and delivered over 500 education and training activities to over 4,000 people. We also trained nearly 300 medical students, GP trainees and registrars.

Highlights over the year include 100% of staff trained in General Data Protection Regulations and the majority of clinical staff attended clinical study days which focussed on 'clinical assessment and documentation' and 'psychological distress'. In addition to this, our staff have been able to access over 50 courses commissioned on behalf of Hospices North East, detailed later in the report.

Plans for 19-20 include line manager development, focusing on the design and delivery of 'equality, diversity and inclusion' training, the implementation of new appraisal processes and a management development framework which will be shaped by our organisational objectives.

### **Staff Remuneration**

Job Evaluation is applied to every post at its creation, or when changes in responsibilities are required of the post holder. Remuneration is then set by matching the evaluation against the Hospice Pay Scales. The Nomination and Remuneration Committee sets the salaries of Senior Hospice Managers and Medical Consultants.

Salaries for Medical Consultants mirror those set within the NHS Consultant contract. Proposed cost of living awards are set out in the Business Plan, which is presented to the Board of Trustees for approval before the start of each financial year.

### **Pay Policy for senior staff**

Trustees consider the Board of Trustees, the Chief Executive and the Hospice Management Team as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the Hospice on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 12 and 26 of the accounts.

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

Trustees are required to disclose all relevant conflicts of interest in line with St Oswald's Conflict of Interest policy including registering them with the Company Secretary and, in accordance with the policy, withdraw from decisions where a conflict of interest arises.

The pay of the charity's Chief Executive and HMT is reviewed annually by St Oswald's Nomination and Remuneration Committee and any recommended uplift is approved by the Board of Trustees. The uplift normally matches that awarded to all other staff groups although from time to time a full review of the salary of the Chief Executive and HMT will take place. This will be benchmarked to other charities of similar size and turnover and seek to compare like with like posts.

### **Equality of Opportunity**

St Oswald's fully supports the principle of equality and diversity. It is committed to ensuring that all current and potential staff and volunteers are treated with dignity, fairness and respect, regardless of their sex, marital status, age, sexual orientation, race, ethnic or national background, religion, beliefs or disability. We promote an environment in which individual staff can utilise their skills and talents to the full, and that the best people are recruited for our jobs from as wide and diverse a pool of talent as possible.

### **Employee Involvement**

The views of staff and volunteers are sought via line managers, feedback bank, special briefings, ad-hoc focus groups, surveys and departmental visits from HMT and Trustees. This includes information of particular interest to employees (including financial and economic factors) and for views on important matters of policy.

### **Disability in Employment**

We employ people living with disabilities when they are suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration. There is a training scheme in operation so that employees who have been injured or disabled in the course of their employment can, where possible, continue in employment.

### **Volunteers**

Approximately 1,100 local people volunteer for us on a regular basis. In addition we have corporate or event volunteers who support us on an ad-hoc basis. Volunteers offer their skills, experience, expertise and time to every department in the Hospice and Promotions Company and form an important part of St Oswald's workforce.

We recruit and train volunteers from local communities. They are subject to the same requirements as paid staff in respect of compliance with statutory and regulatory conditions, standards of competence, personal conduct and integrity.

Line managers provide volunteers with ongoing training, guidance and support, in addition to recruitment, development and support services provided by our HR and Volunteer Department. We are a volunteering organisation and without the support and commitment of our volunteers we could not provide the vital hospice services we do to local people and families.

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

### **STRATEGIC REPORT - Managing Risk**

Keeping patients, families, staff and visitors safe is a fundamental principle at St Oswald's and as such, risk management is firmly embedded in the culture and structure of the organisation.

Trustees and HMT review and update the Strategic Risk Register in March each year, as well as analyse our Balanced Scorecard reporting tool on a quarterly basis. Our Balanced Scorecard includes key performance indicators for areas of activity. If there are areas of concern or risks are identified, they are discussed at Board meetings and action is taken to address or control them. The Balanced Score Card is reviewed on an annual basis by the Board of Trustees and Directors.

We have a Risk Management Group (RMG) which ensures policies, procedures, systems, controls and awareness programmes are in place to minimise risks. The group reports into HMT and meets quarterly.

### **Environment and Fire Risks**

Green Dragon Solutions Ltd continue to provide St Oswald's with safety, health environment and fire risk management advice and an additional layer of scrutiny to our operations. Green Dragon continue to provide advice on implementing a wide ranging action plan and offer ad-hoc advice and support, where necessary.

### **Clinical Risks**

We also have a Clinical Quality Group in place to ensure clinical quality is maintained across the Hospice. The Group monitors clinical activity, patient experience data and adverse events.

There are a number of dedicated sub-groups which feed into the Clinical Quality and RMG groups, namely: Data Quality and Records Management, Business Change/Business Technologies, SystemOne, Ethics, Infection Control, Water Hygiene, Emergency Planning, Clinical Audit, Nutrition, Medicines Management, Manual Handling, Clinical Education, Medical Gases, Palliative Care Advice Line, OACC, Enablement Group and Dementia. Both the Clinical Quality Group and RMG report into the Trustees' Clinical Governance and Quality Committee meetings.

### **External Bodies**

Our external auditor, RSM UK Audit LLP, bring with them the benefits of a firm large enough to have considerable expertise in the not-for-profit, public and private sectors.

### **Financial Risk Factors**

Risks are reviewed annually by the Trustees and the most significant financial risk facing St Oswald's are as follows:

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

### **STRATEGIC REPORT - Managing Risk (continued)**

#### **Income Risk**

Income Risk is the reliance on potentially volatile income streams such as lottery income, voluntary donations and legacies. While St Oswald's continues to be well supported locally, there is always the possibility that support could fall due to increasing popularity of other charities or as a result of local, national or international events. Changes in the economic climate of our region could also impact on the levels of support we receive each year. The risk is mitigated as far as possible by diversifying fundraising activities and remaining responsive to changes in the local fundraising environment.

Current financial constraints within the NHS may result in some of the Hospice's services becoming economically unviable. Strenuous efforts are made to communicate regularly with Clinical Commissioning Groups and to instigate negotiations wherever necessary.

#### **Fraud Risk**

Any business carrying out activities that involve handling large amounts of cash faces the risk of loss of income through fraud or theft. Financial controls and procedures have been established to reconcile all types of income to minimise these risks. Facilities are also in place to ensure that members of staff are able to bank money quickly and locally rather than hold on to cash for long periods of time. Policies and procedures are in place to ensure staff are fully aware of their responsibilities in respect of handling cash and these procedures are managed by the Finance Director.

#### **Investment Risk**

The Hospice is exposed to fluctuations in the stock market which affect the value of its investment portfolio. The portfolio is monitored by the Audit and Finance Committee at each of their meetings throughout the year. The portfolio is designed both to generate a stream of dividend income and as a long term investment. Trustees recognise that its value is subject to fluctuations in the stock markets. The risk profile of the portfolio, is under constant review by the Audit and Finance Committee, which is advised by the Hospice's investment managers, currently UBS.

#### **Price Risk**

The Hospice and its trading subsidiary are subject to the risk of increases in purchase price of medical and other supplies. Where possible prices are agreed in advance and the Hospice's budgeting and forecasting processes are designed to alert Trustees to potential problems.

#### **Liquidity Risk**

Trustees monitor the Hospice's liquidity by means of KPI reporting through the management accounts alongside cash flow forecasts. To date the Hospice's inflow of cash income has been sufficient to service cash expenditure. Should problems arise in the future Trustees have access to the hospice's investment portfolio to remedy a situation if needed, without compromising the Hospice's operations.

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

### **STRATEGIC REPORT – Achievements and Performance**

In 2015 we launched our Vision 2025, a 10 year strategic plan for the organisation, which was developed by our Trustees and HMT.

The strategic objectives outline the direction of travel for St Oswald's and are as follows:

#### **Strategic Objectives:**

1. Continuously improve the quality and efficiency of the services that we provide to our patients and their families.
2. Lead the development of palliative care services within the region by working more closely with other organisations.
3. Work with staff and volunteers to deliver excellent services through our commitment to individual development.
4. Work flexibly, always seeking to maintain financial stability.

The strategic objectives underpin a set of future actions, as outlined later.

Our fundamental aim is to make a difference to the lives of local people by providing excellence in specialist palliative and end of life care. Detailed below, we explain how we have supported local families over the last year and demonstrate the impact of our work.

#### **Adult Services**

Our Adult Service offers an inpatient service; a lymphoedema service; 'focus on living centre' comprising of a day hospice, therapeutic activities and one-to-one sessions; complementary therapy; outreach; 'positive steps' sessions for prospective patients; carer and bereavement support. Patients are usually referred to us from Newcastle, Gateshead, North Tyneside and Northumberland, with occasional specialist referrals from further afield.

#### **Adult Inpatient Unit**

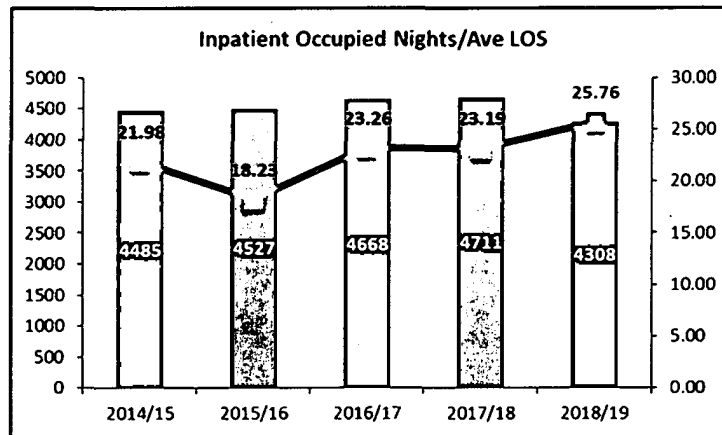
Our inpatient service has fifteen beds and one emergency bed. Our multidisciplinary team works together to: ensure patients with specialist palliative care needs can maximise their quality of living; facilitate a safe and timely patient discharge or transfer to a continuing care service, as well as provide a supportive environment at the end of life.

Last year...

- 177 adult inpatient admissions, 69 patient discharges and 108 deaths.
- patients stayed with us for an average stay of 26 days.

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

### STRATEGIC REPORT – ACHIEVEMENTS AND PERFORMANCE (continued)



- 4308 bed days were occupied during the year.
- average bed occupancy was 84%.
- 209 phone calls were received from health care professionals to the palliative care advice line – a service offered in conjunction with Marie Curie Cancer Care.

As it's our primary aim that the best, safest care is delivered to patients and families, we continue to embed the Outcome Assessment and Complexity Collaborative tool (OACC) throughout our services with Views on Care and IPOS (The Integrated Palliative Care Outcome Scale). IPOS is a scale of measurement that gives patients the opportunity to discuss any concerns or other symptoms they are experiencing, and to state whether they require information or have additional practical needs.

This year we are making improvements to our building and gardens on the unit. Recognising the importance of providing spaces families can enjoy together, we have been given planning permissions to build an extension for a 'family room'. Our patient garden is also undergoing a transformation for patients and families to enjoy. These developments have been possible due to the generosity of local people.

#### What families said. . .

*"Can't explain how amazing everyone was with my nana and our family at her time in the hospice! Not only did they do a fantastic job of looking after my Nana and making sure she was pain free and comfortable they were friendly, kind, helpful and sympathetic, always checking we were okay and if we needed anything! They allowed us to visit whenever and stay as long as we liked! Thank you very much for making this hard time a little bit easier for us."*

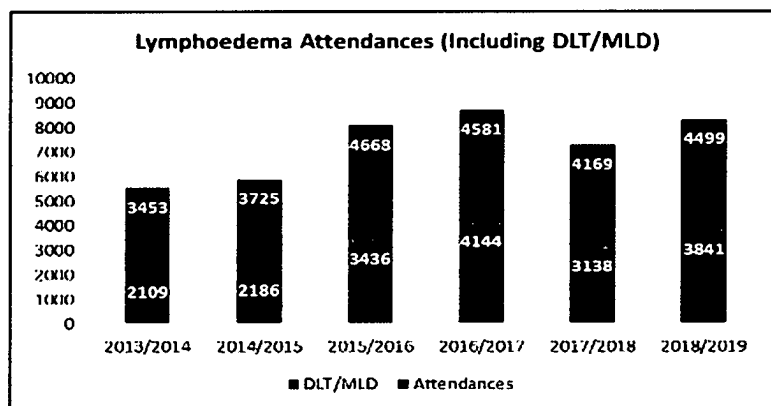
*"I found it very difficult to come to terms with what was happening to my husband and I am certain that I would have struggled even more without the support I had, and continue to have from St Oswald's."*

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

### STRATEGIC REPORT – ACHIEVEMENTS AND PERFORMANCE (continued)

#### Adult Day Services

- Within Day Hospice, we received 145 new referrals.
- There was an average of 143 Day Hospice places booked each month, which is 73% of our capacity. Average actual attendance was 75%, which is an increase of 22% on last year.
- This year we have further expanded our therapeutic activities and group sessions offered to patients. There were 1000 individual attendances over 22 activities.
- 161 Outpatient appointments attendances, including a Consultant-led clinic, a Cognitive Behavioural Therapy clinic, acupuncture, and hypnotherapy clinics.
- 935 Complementary Therapy sessions were provided to outpatients, day hospice patients, inpatients and carers, an increase on last year.
- 928 referrals to our Lymphoedema Service, a 20% increase on last year.
- We operate outreach in Shiremoor, Blaydon, Morpeth and South Tyneside.
- There were 4,499 lymphoedema attendances, an increase of 7% on last year.
- A further 3,841 intensive lymphoedema treatments were also delivered, 1,955 lymphoedema outreach appointments and 221 home visits were provided.



Last year we restructured our day care services and the Centre has been renamed to the 'Focus on Living Centre'. The Centre offers traditional Day Hospice three days a week, combined with therapeutic group and one to one activities five days a week. This year we've further built on providing more tailored groups and courses for the people we care for.

Within our lymphoedema service we provide spoke clinics in Morpeth, Shiremoor and Blaydon and are working closely with South Tyneside Clinical Commissioning Group to develop lymphoedema services for people living in South Tyneside who have complex lymphoedema. Following on from a one year pilot in South Tyneside in 17-18, a contract has been agreed for two years with South Tyneside CCG, to provide a specialist outreach Lymphoedema Service based in South Shields.



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

### **STRATEGIC REPORT – ACHIEVEMENTS AND PERFORMANCE (continued)**

#### **What our Day Services Patients and their families think. . .**

*"I first came to St Oswald's a few months ago during the day on a Friday and it brought me to life. I can't bring in to words how wonderful the staff are, they are wonderful. During my days here I have taken part in activities in their craft room such as painting. I didn't know places like St Oswald's existed, I love my days there!"*

*"The staff at the Hospice are amazing, they go out of their way to make a you feel really lovely and very comfortable. You're lit up by staff every time you come in."*

*"As soon as I walk through the doors at St Oswald's I feel a sense of peace and tranquillity. Due to my condition, I can no longer drive, so my typical day at the Hospice begins with a volunteer driver picking me up from home. From the moment the car door opens, my driver has a smile on their face."*

#### **Children and Young Adults Service**

We provide specialist short breaks and end of life care to babies, children and young adults, aged from 0 to 25, with progressive, life-shortening conditions. Specialist, medically-supported care is provided, 24 hours a day, seven days a week.

- 59 children and their families benefited from our Children's Service.
- A further 16 young adults were cared for at St Oswald's.
- We had 639 admissions, 1,931 bed days were occupied with an 88% occupancy rate.
- The average length of stay is 3 nights per visit for children and 4 nights for young adults.

We continue to work closely with Great North Children's Hospital, including the provision of on call support. We're working with them to increase access for children requiring end of life care where St Oswald's is the place of choice of the family.

This year we received funding from Together for Short Lives to pilot a new outpatient service for young adults, in partnership with NHS NewcastleGateshead Clinical Commissioning Group (CCG). The clinic is part of a national scheme to improve transitions for young people moving from children's to adult health services.

#### **What children, young adults and their families said . . .**

*"What makes the hospice is their staff – every time I come in they are hyper, full of beans, playful and they give everything a try! Coming to St Oswald's is life-changing and my Mam would say the same."*

*"St Oswald's is our lifeline and the staff are the only people we trust to look after our son. He has such complex needs it's not possible for us to just ask a grandparent or friend to step in, so over the last year and a half, it's only when he is at St Oswald's for a few days a month that our family gets a break."*

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

### **Ensuring Quality Care: Monitoring and Compliance**

We have a range of mechanisms in place to ensure we continue to provide an outstanding service to adults, children and young people.

We are monitored and regulated by the Care Quality Commission (CQC) and at last inspection (September 2015); we were awarded an overall rating of 'Good'. The CQC awarded us 'Outstanding' for care, and 'Good' for the following four outcomes: safe, effective, responsive and well-led. No recommendations for improvement were made.

Internally, patient experience is measured by questionnaires, face to face interviews, focus groups and submissions to our 'feedback bank'. Our feedback bank serves as a central store for all patient experience data, as well as comments, complaints, compliments and suggestions from stakeholders.

Our Clinical Quality Group is tasked with reviewing all issues relating to patient experience and providing a quality service. They take forward any action that needs to be taken and update our Compliance Register accordingly. Regular updates are provided to Trustees via our Clinical Quality & Governance Committee.

The NHS' Friends and Family Test is included in all patient, staff and volunteer surveys. This involves asking if people would recommend St Oswald's as a care provider and/or an employer. Results are now reported to the Board of Trustees as part of our Balanced Scorecard and provide an additional quality assurance tool.

This year we continued work to achieve two CQUIN (commissioning for quality and innovation) targets; the first against the continued implementation of the Outcome Assessment and Complexity Collaborative (OACC) in our Focus on Living Centre and Adult Inpatient Unit and a second refining the Lymphoedema keyworker pathways, looking specifically at improving self-care through education.

### **Ensuring Quality in Fundraising Practice: Monitoring and Compliance**

At St Oswald's Hospice we pride ourselves on fairness in fundraising and work diligently to maintain excellent standards of conduct while generating funds for the charity.

After doing extensive research and taking legal advice we took the decision to remain opt out for postal/telephone marketing under legitimate interest and opt in only for email/SMS marketing.

We have upgraded our database and server space to ensure we manage preferences appropriately and in accordance with the law.

We aim to also achieve best practise in these areas as set out in the Fundraising Regulator's Code of Fundraising Practice and the Information Commissioners Office. We are a member and contributor to the Fundraising Regulator, registered with the Charities Commission and a member of the Gambling Commission which requires us to fulfil all legal and ethical standards and requirements.

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

### **STRATEGIC REPORT - Ensuring Quality Care: Monitoring and Compliance (continued)**

We wash our data against the Telephone Preference Service and Fundraising Preference Service to ensure we do not contact anyone who is on either list or who has not given us explicit consent to market to them.

We also subscribe to various publications and newsletters to ensure we stay as up-to-date as possible in order to ensure we remain compliant and treat donors fairly.

In the financial year 2018/19, there was no failure to comply with a scheme or standard cited and we did not use any third party services to undertake any direct fundraising.

We have a clear Privacy Policy at [www.stoswaldsuk.org/privacy-policy](http://www.stoswaldsuk.org/privacy-policy). This details why we collect data and what we do with it depending on the relationship with us.

The contribution of fundraising to the organisation's annual income is approximately £4.0m gross and in order to achieve this we employ a team of professional fundraisers with various specialisms for example Trust fundraising, community fundraising and face-to-face fundraising.

In order to recruit Fundraisers we regularly use recruitment agencies, as often these workers are temporary so use of agencies is more financially viable than doing all our recruitment in-house. These workers are all trained, monitored and managed by St Oswald's and adhere to our standards, policies and values. In order to keep costs at a minimum we also have approximately 160 fundraising volunteers.

We also enlist the services of professional external organisations such as various printers, mailing houses and fulfilment centres to support our income generation activity. Any company we use is required to sign a Confidentiality Agreement and all data files are sent securely over the internet so no data is physically taken off-site for these purposes. Data is then promptly deleted by these third party providers. During 2018/19, no complaints were received by St Oswald's or anyone acting on its behalf about fundraising for the charity.

#### **Protecting Vulnerable People**

We have a number of measures in place to protect vulnerable people and others from unreasonable intrusion on a person's privacy. We act with integrity, are not unreasonably persistent and do not act with undue pressure to give, in the course of or in connection with fundraising for the charity.

All our Fundraising staff attend training on "Treating Donors Fairly" within six months of starting in post as part of working towards a comprehensive competency framework. Face to Face and Telephone Fundraisers receive this training before they are allowed to approach members of the public.

We endeavour to be compliant with the General Data Protection Regulation and the Privacy and Electronic Communications Regulations 2003 and aim to also achieve best practice in these areas as set out in the Fundraising Regulator's Code of Fundraising Practice and the Information Commissioners Office. We stop all postal/telephone marketing with donors where there has been no activity within 36 months.

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

### **STRATEGIC REPORT - Ensuring Quality Care: Monitoring and Compliance (continued)**

Our Face to Face Fundraisers are also closely mentored and monitored in their first month in post to ensure they understand our expectations. Our guidelines for both Face to Face and Telephone Fundraisers include the promise to our donors:

Our promise to you:

- We are open and honest about why we are calling.
- We clearly identify ourselves.
- All our Face to Face Fundraisers go through a basic disclosure check to ensure the safety of those they are contacting.
- The whereabouts of our team members is closely monitored and they are supervised appropriately.
- We do not pressurise members of the public nor do we use guilt tactics or negativity in order to gain their support.
- We follow all industry guidelines and regulations and require others acting on our behalf to do the same.
- We will take appropriate action promptly if we find any failure to meet our standards.
- We do not cold call in “no cold call” zones as set by chartered trading standards within our geography.
- We regularly (daily) monitor activities and compliance, including for the protection of vulnerable people.
- Our fundraisers are fully trained in safeguarding of vulnerable people
- We would never seek a financial contribution from anyone displaying signs of impaired judgement or capacity and our fundraisers are trained to recognise these signs.
- We check with the person that they are happy to proceed on a number of occasions during a conversation giving fair opportunity to opt out at any point.
- Donors can cancel their donation at any time after signing up.
- We do not attempt to converse with anyone under 18 as a matter of good practice.
- As a further safeguarding measure, any new donors receive a welcome call after signing up. We make it easy for people to tell us their marketing preferences with a choice of how they'd prefer to be contacted.
- We do not sell customer data to third parties.
- We adhere to the General Data Protection Regulation.
- Our dedicated Supporter Care Team can be contacted on 0191 246 9123 (Monday to Friday, 9am – 5pm) or [fundraising@stoswaldsuk.org](mailto:fundraising@stoswaldsuk.org)

In addition to this, we:

- Keep records of all donations for 7 years as required by law.
- Store personal records of all donors in a secure database system indefinitely as we are required to be able to access Gift Aid information forever and we store this electronically attached to the person's record ensuring we are able to access information when required.

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

### **STRATEGIC REPORT - Ensuring Quality Care: Monitoring and Compliance (continued)**

- Keep records of communications sent or received to donors to ensure we have a record of any consent given and can provide information in the case of any disputes with regards to legacy gifts.
- Give our donors regular opportunity to change their contact preferences. We only email or text donors who have freely and expressly given their consent for us to use these methods of contact for marketing purposes and where we can evidence their consent.
- We do not share information with any third parties for marketing purposes.
- We do share data outside of the EEA through providers such as Microsoft and Mailchimp – however these providers adhere to GDPR principles and rigorous checks are in place to ensure we compliant in law.
- Ensure communications we send are relevant to the donors past history with us and we periodically remind donors that we will profile them in this way to ensure we send information which is relevant to them.
- We ask people to update their details and preferences, and conduct data cleanses regularly, making changes when needed and/or requested.
- We do not use external data houses to cleanse postal addresses, we are obliged however to use the Telephone Preference Service to cleanse data for telephone marketing.

### **Ensuring Quality in Retail: Monitoring and Compliance**

St Oswald's retail department works to a high-quality to meet the standards required by the hospice policies. The department has several working relationships with other organisations which help to strengthen our quality standards.

We are a member of the Retail Charity Association, the primary membership organisation for charity shops in the UK. The association influences and monitors legislation and regulations that affect charity retailing, and promotes the benefits of charity retailing to communities. We are also a member of Re-Use, a national recycling and reuse charity which supports members to meet their business compliance by audits and advice.

The Hospice play an active part in the 'North East Recycling Forum' (NERF), which offers a forum for the public, private and community sector, to share best practice in waste and recycling issues of which St Oswald's plays an active part.

Green Dragon Solutions Ltd visit and audit our shops and retail buildings on an annual basis. They offer advice and action plans to ensure we compliant and following all legal guidelines.

Our retail department runs a Gift Aid scheme which enables us as a registered charity to reclaim tax on a donation of goods made by a UK taxpayer, effectively increasing the amount of the donation made to us. We currently use E-productive to ensure we meet HMRC standards by providing training tools for all retail staff and volunteers and auditable processes and procedures.

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

### **STRATEGIC REPORT - Strategic objectives**

Our in house workstream groups continue to take forward the actions of our Vision 2025 strategy. The progress of the plans is reviewed by the Board of Trustees and Directors at their bi-monthly meetings.

#### **To develop expertise and capacity in non-cancer conditions**

St Oswald's Hospice and hospices in general have largely concentrated on caring for patients with a cancer diagnosis; this was in order to meet patient need. However, the needs of patients and their families now and in the future require a more diverse approach.

After discussions with our medical and clinical teams we identified four main areas we are looking to develop in the future, they are: dementia, learning disabilities, neurological and organ failure. It is crucial to ensure we have a well thought out strategy to deal with the needs of an ever more complex caseload of patients.

To take this action forward, we have appointed a specialist dementia nurse, known as an Admiral Nurse, who provides specialist support to patients with dementia and their families. This two year post began in summer 2018 and is co-funded by Dementia UK, Sir James Knott Trust and Ballinger Charitable Trust.

In addition, we have been undertaking a similar approach with patients, families and visitors with learning disabilities. Two volunteers with knowledge and expertise of learning disabilities and palliative care are progressing research to begin this work.

#### **To expand the children's hospice and facilitate independent living for young adults**

We have been providing specialist short breaks and end of life care when required to local children since 2003 and young adults since 2012. Our service is highly valued by local health and social care commissioners and regarded as an integral paediatric palliative care resource for the region. As such, we are currently operating at our maximum funded capacity, which is six out of a possible eight beds on most nights.

There are also a small number of local children and young adults who have been referred to us and who are awaiting stays. However, as most children who benefit from short breaks stay with us for many years, until they die or reach young adulthood, throughput is low. Unless we are able to increase our capacity, it is doubtful we will be able to fulfil this demand.

We continue to focus upon the development of an evidence base to determine the level of need that exists in the region above what is currently provided for children and young adults with life-shortening conditions. Initial conversations have been held with various academics and researchers with regards to the development of a suitable research question and robust methodology. Simultaneously, work has been ongoing with regard to the development of alternative provisions for young adults.

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

### **STRATEGIC REPORT - Strategic objectives (continued)**

As mentioned earlier in the report, funding from Together for Short Lives has enabled us to pilot a new outpatient service for young adults, in partnership with NHS NewcastleGateshead Clinical Commissioning Group. The new annual outpatient clinic is part of a national scheme to improve transitions for young people moving from children's to adult health services.

#### **To develop a family support service for carers and bereaved adults and children**

We support hundreds of carers and family members every year. Our services to families include drop-in sessions, one-to-one support, telephone support and group. We provide a range services to adults and children, both pre and post bereavement.

Our Family Support Team continues to work in in partnership with other organisations. BBC Children in Need has funded a Children's Lead in our Bereavement and Family Support Team. This is a three year post to support children facing the serious illness and death of a close family member. The post will also extend the reach of the Family Support Service in order to benefit children who have no prior association with the Hospice.

#### **To develop a funded, community-based network of lymphoedema services**

Recognised as a national centre of excellence in lymphoedema, St Oswald's is the largest specialist lymphoedema service provider in the North East.

We continue to develop our 'hub and spoke' model of care where satellite sites around the region support patients with mild or uncomplicated lymphoedema to access care closer to home. Patients with complicated lymphoedema, however, are referred to our main hospice site in Gosforth. We now operate outreach services in Shiremoor, Blaydon, Morpeth and South Shields.

As mentioned earlier in the report, the clinic in South Shields is provided on behalf of South Tyneside Clinical Commissioning Group for people living in South Tyneside who have complex lymphoedema.

#### **To create alliances with other local providers to increase access to palliative care**

We firmly believe that every North East community should benefit from the services of a thriving and proactive Hospice. We also recognise that we need other Hospices in the region to succeed if we are to avoid being overwhelmed by the displaced patient demand. We have always tried to deliver the help requested, albeit in a rather ad-hoc fashion in the past.

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

### **STRATEGIC REPORT - Strategic objectives**

So far this project has resulted in the establishment of a hospice collaboration, with membership comprising of representatives from all nine independent hospices within the region. The collaboration, now formally named Hospices North East, has a vision 'to ensure that the people of the North East receive outstanding Hospice care and support.'

Working groups have been established across the hospices to pursue: communication across the collaborative; essential data collection to better represent our value to NHS commissioners and supporters; learning and development programme across all nine Hospices; and joint work on HR strategy, finance and potential fundraising are also underway.

#### **To lead the development of a North East palliative care education centre**

St Oswald's is a leading provider of palliative care education in the region. The two priorities for this workstream involve working collaboratively with the other independent Hospice's with regards to education, and looking into the feasibility of developing an End of Life Research Centre.

We are further progressing our vision with other providers to develop palliative care education and research in the North East. Working with Newcastle University, Northumbria University, Northumbria Healthcare Trust and Newcastle Upon Tyne Hospitals Trust, we have completed a business plan to move forward plans to create the 'Great North - Palliative Care Research Institute' and we intend for this to be launched in 2020.

#### **To ensure co-ordinated out-of-hours palliative care and advice is available across the region**

Within the North East region, there has been a palliative care co-ordination centre in operation for South Tyneside for the last five years. It is a one-stop shop for planned palliative and end of life care in Gateshead, South Tyneside and Sunderland. The centre brings together access to community nursing, out-of-hours palliative care teams, care homes, social care and hospice services.

There is no such provision in the North of Tyne area, however, following the setup of a project group tasked to take this action forward, we understand that Newcastle and Northumbria NHS Foundation Trusts have plans to look at this, so we have decided to step back from pursuing this objective at this time. We are however continuing to facilitate our palliative care advice line service to healthcare professionals.



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

### **STRATEGIC REPORT – Fundraising, retail and marketing strategy**

As a registered charity, we now raise over £7.5 million in unrestricted funding every year through voluntary giving, our charity shops and legacies. Other income streams include funding from the statutory authorities, trusts and foundations and professional fees.

As an independent, self-financing charity, it has always been important to minimise financial risk by ensuring a diverse range of income streams. Regarding our voluntary income, we rely on the successful implementation of our fundraising, retail and marketing strategies.

#### **Fundraising Strategy**

Our team is comprised of community, digital, events and corporate fundraisers, a trusts and grants team, face to face and street fundraisers and our Supporter Care team.

The Fundraising team aim to secure on-going support from individuals, schools, groups and businesses, as well as provide assistance to donors organising their own external events and raising funds.

We continue to be well supported by our community, which is evidenced by raising over £3 million gross through fundraising in 18-19 excluding legacies.

A strong focus on corporate fundraising has seen an uplift in members joining our Better Together Business Club which will continue into 2019-20 with regular networking events to bring our corporate supporters closer to our cause. We also have plans to integrate our regular giving programme throughout all our fundraising activities and initiatives and to further engage and share the work and personal experiences at the hospice with donors.

Following the success of St Oswald's Great North Snowdogs in 2016 we have been laying the foundations for an even more successful second art trail event across the region. August 2019 will see Elmer take centre stage for 10 weeks to help us raise awareness and funds for St Oswald's Hospice. The wider fundraising team have been busy harnessing all the opportunities that have come about as a result of the second art trail, which will include 'Elmer's Great North Parade' a mass participation event, the public art trail itself, Elmer-focussed raffles, community events and a strengthened fundraising offer for participating schools offered a range of fundraising avenues and relationships which can be built on long after the trail is over.

#### **Retail Strategy**

Income received through our retail activity was in excess of £3million achieving a surplus of almost £850,000 before allocation of support costs. Surplus has increased by 11% compared to the previous year.

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

### **STRATEGIC REPORT – Fundraising, retail and marketing strategy (continued)**

We operate 26 shops across the North East. We also sell lots of new and second hand goods via our online shop and on our eBay page. Our eBay channel has enjoyed huge growth over the past 12 months and has been the fastest growing part of our retail function with a 38% increase compared to the previous year.

Over the year we created a brand new concept shop '3,2,1' which organises all clothing into £3, £2 or £1 pay bands. We have launched this concept in Sunderland and Byker. It has been especially successful in our Sunderland store which has enjoyed a 20% increase in profits and 40% increase in transactions since the roll-out of this concept.

This year our retail team won two awards recognising the breadth of services we provide and the achievements made, these are: the Innovative and Technology award at the Charity Retail Awards for our Shop Takeover scheme and E-Commerce Business of the Year at Hospice UK's Retail Awards for our eBay shop.

February saw the launch of our first ever charity bus, Ozzie Bus, which was gifted to us by Go North East and was renovated by Arriva. Ozzie Bus is enabling us to increase our presence in parts of the region where we don't have a physical shop and allows us to attend community based events such as local markets.

Our specialist upcycling shop Re-styled by St Oswald's moved online last year with the launch of their new specialist Etsy shop. Our Re-styled team has increased their presence at community fayres and upcycling events with further exciting developments planned for the year ahead.

#### **Marketing strategy**

Our Communications and Marketing team supports every aspect of the Hospice's work including income generation, clinical, retail, corporate services and our Vision.

In 18-19, the team had its most successful direct mail appeal, a mailing which is sent to St Oswald's supporters. Supporters donated £34,597.71 to the summer 2018 Adult Inpatient Unit garden direct mail appeal. As we had hit our target with this one mailing, we made the decision to replace our traditional Christmas appeal with a no-ask thank you mailing. The aim was to simply say thank you to our loyal supporters and hopefully increase retention by leaving a bigger gap between asks.

We have continued to achieve an increase in our media coverage, ensuring we have a breadth of stories available to tell 'our hospice story' including income generation and clinical services offered. Media coverage has included national reach with stories about our Admiral Nurse, as well as the launch of our upcoming public art trail, Elmer's Great North Parade.

Due to effective internal communication and marketing, we have continued to see an increase in attendance at our annual staff and volunteer roadshow and increases in response rates to staff surveys, with over 60% of our workforce completing surveys.

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

### **STRATEGIC REPORT – Operational objectives**

#### **Operational Objectives 2019/20**

In addition to the strategic 10-year-plan objectives as identified above, additional operational objectives for the year ahead 2019/20 are as follows:

#### **Topline**

To pursue our vision 2025 objectives, including:

- To ensure that we maximise income opportunities, and pursue a culture of cost-savings and efficiency.
- To progress establishing a Palliative Care Research Centre in the North East
- To work collaboratively with local Health partners in charities and the NHS to improve palliative care for patients.

#### **Care**

- Maintain a high quality service, and our CQC rating of "Outstanding" for care
- Develop our dementia care strategy.
- Continue successful development of patient-focussed care programs in our Focus on Living centre.
- Continue to successfully develop the newly commissioned outreach lymphoedema care service for South Tyneside CCG.

#### **Income Generation**

- Raise over £8million through all our voluntary giving channels.
- Maximise the fundraising opportunities with the launch of Elmer's Great North Parade in 2019.

#### **People Objectives**

- We are working with Northumbria University to research how we can develop our values based recruitment in clinical areas.
- We will implement a new framework setting out how we plan to develop our management workforce.
- We will embed out new volunteer development manager role to help us continue to grow and develop new forms of volunteering.

These objectives are owned by the relevant HMT member and will be continuously reviewed during the year to monitor successful progress.

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

**STRATEGIC REPORT – FINANCIAL PERFORMANCE**

For the year ended 31 March 2019 the organisation recorded a net deficit, including grants but before accounting for movements in our investments, of £439,632 (2017/18: net surplus of £97,358).

Total incoming resources for the year increased by 0.7% (2017/18: decrease of 4.7%) to £12,665,677. Total resources expended increased by 5.0% (2017/18: decrease of 7.2%) to £13,105,309.

During 2018/19 £1,130,327 (2017/18: £740,061) was gratefully received in grants and donations to cover specific projects. This is shown in the financial statements as "restricted income", and appropriate expense is shown against it as "restricted expense". This differentiates it from the normal ongoing operations of the Hospice, which is named "general" income and expense.

The financial effect of the normal ongoing operations of the Hospice is shown in the table below:

	<u><b>2018/19</b></u>	<u><b>2017/18</b></u>	<u><b>Movement</b></u>
General income	11,535,350	11,835,190	(299,840)
General expenditure	(11,591,619)	(11,528,072)	(63,547)
Net (expenditure) /income before movement on investments	(56,269)	307,118	(363,387)

**Incoming Resources**

Income falls between four main categories; incoming resources from donations & legacies, other trading activities incoming resources from charitable activities and interest income. There are detailed breakdowns of these categories in the Consolidated Statement of Financial Activities and the associated Notes to the Accounts.

**Incoming Resources from Generated Funds**

Donations and income from regular givers totalled £1,704,915 (2017/18: £1,505,301) of which £930,507 was restricted (2017/18: £540,241).

Income from other trading activities has this year raised £5,336,141 (2017/18: £5,570,697).

St Oswald's Hospice Promotions Limited is our trading subsidiary, and this year a Gift Aid payment of £877,407 has been received (2017/18: £912,897). The subsidiary's main activity is the Hospice lottery.

Investment income, comprising interest and dividends received was £44,662 for the year (2017/18: £41,267).

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

### **STRATEGIC REPORT – FINANCIAL PERFORMANCE (continued)**

#### **Incoming Resources from Charitable Activities**

As in previous years our charitable activities received partial funding from the NHS and local social services. Work continues locally and nationally to try to improve the levels of funding received for each of our charitable services.

Income for adult inpatient services from block contracts with NHS bodies totals £1.69 million (2018: £1.67 million).

A grant totalling £199,820 was received from the Department of Health in the year (2017/18: £199,820), under Section 64 of the Health Services and Public Health Act 1968, to support the activities of our Children's Service, in addition to a payment per night for each child or young adult accommodated.

Income for Adult Day Services is generated by fees for the provision of lymphoedema services for outpatients. Lymphoedema income for 2018/19 was £1.31 million (2017/18: £1.32 million)

#### **Resources Expended**

In accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in January 2015, costs of support services are shown relating to our direct charitable services. The costs of Human Resources, Corporate Services, Information Systems and Finance departments have been allocated to each of the direct service departments or income generation departments. The allocation is calculated according to the most appropriate measure of usage for each area of expenditure. Note 10: Analysis of Support Costs gives greater understanding of the costs incurred and their allocation.

#### **Costs of Raising Funds**

Sales of donated goods increased by 1.0% (2017/18 decrease of 5.4%). Equivalent costs increased by 0.3% (2017/18 decreased by 4.1%).

#### **Costs of Charitable Activities**

Expenditure on our charitable activities, including property costs, depreciation charges and support costs, represents 66.7% of total expenditure (2017/18: 65.8%). Staff costs remain by far the greatest type of expenditure incurred.

#### **Balance Sheet**

The Balance Sheet at 31 March 2019 shows funds of £13,745,571 (2018: £14,178,461) of which £10,711,913 is represented by fixed tangible and investment assets (2018: £11,152,123). Notes 15 and 16 to the financial statements set out expenditure and other movements relating to fixed assets and fixed asset investments.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019  
(continued)**

**STRATEGIC REPORT – FINANCIAL PERFORMANCE (continued)**

**Key Performance Indicators**

	unit of measure	Target	2018/19	2017/18
Value of free reserves	£000's	6,273	4,267	4,258
Expenditure variance from budget	%	<5%	1%	(2%)
Retail profit	pence in £	27	27	24
Fundraising expenditure ratio	pence in £	35	35	24
Staff turnover	%	<5%	3.48%	3.18%
Completed staff appraisals	%	100%	99%	98%
Adult inpatient occupancy	%	84%	84%	86%
Children and young adults occupancy	%	85%	88%	87%

**Summary**

Following a strong 2017/18, the Hospice's finances have remained stable in 2018/19: Unrestricted funds, relating to normal ongoing operations of the hospice, have achieved a small deficit of £56k, while the deficit on restricted funds is largely due to depreciation of long term assets, as planned. A culture of being cost-conscious whereby all expenditure was carefully considered has been encouraged throughout the year. Applications to grant-making charitable trusts have also proved very successful. The cash position remains comfortable in the current year, Trustees continue to pursue a strategy of income generation and cost cutting to mitigate the risk of uncertain statutory income.

Therefore on this basis, the Trustees are satisfied with the financial position of St Oswald's Hospice Limited and St Oswald's Hospice Promotions Limited as at the year ended 31 March 2019.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019  
(continued)**

**STRATEGIC REPORT – Regulatory statements**

We are required to make a number of statements to provide further understanding of how we manage our affairs and how we are governed.

**Investment Policy and Performance**

The objective of holding our fixed asset investments is to maintain the long-term purchasing power of the capital against inflation, whilst achieving a balance between capital growth and the generation of income for the charity, within a medium risk profile.

Once again this year no sales were made from the investment portfolio (2017/18: £nil sold). The value of our remaining investments increased as a result of movements in the markets. Dividend income is paid over to the Hospice as it is received. The remaining portfolio has remained almost static in value over the year compared to a volatile performance of the FTSE 100 index over the same period.

The average return on our cash deposits was 0.3% (2016/17: 0.3%). The Bank of England base rate increased from 0.5% to 0.75% during the year.

**Reserves Policy**

Strategic plans are now updated on a rolling programme to create the new year's business plan and a projection for the following four years. This gives an outline of the likely financial impact on reserves over a five year period.

The annual business plan allows Trustees to recognise longer-term financial pressures and opportunities for St Oswald's, be they external factors or internal objectives. As in earlier years our plans highlight the pressures placed on our resources by changes in the NHS, changes in the demand for our various services, and our continued reliance on potentially volatile sources of income such as legacies. To counter these pressures we hold reserves to protect our ongoing commitment to beneficiaries to ensure we meet our contractual obligations and to provide a platform for our continuing activities. Where we feel it is appropriate, and we consider we have sufficient free reserves to allow, we will invest our reserves in capital assets to maintain, enhance or develop our services.

In considering our policy on reserves, we establish a minimum level required to counter possible fluctuations in income and meet the costs of our legal obligations and anticipated medium term costs of maintenance to all our premises. We also established a maximum level of reserves based on income and expenditure expected in the next twelve-month period.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019  
(continued)**

**STRATEGIC REPORT – REGULATORY STATEMENTS (continued)**

Our acceptable range of free reserves is reviewed annually by the Audit and Finance Committee and for this year the range is considered to be between £3.2 million and £9.4 million. Within this broad range, we have a target of £6,272,875, which we consider a reasonable amount to ensure the longer-term viability of the charity.

As at 31 March 2019, our accumulated general funds stood at £8,019,339 (2018: £7,968,570). Free reserves, as defined by the Charity Commission, are those general funds that are not represented by tangible fixed assets. Using this definition, the free reserves of the Charity at 31 March 2019 were £4,267,469 (2018: £4,258,269).

Though free reserves are below our target of £6.3 million, they are above our minimum calculated requirement of £3.2 million. Cost restraint continues, including a modest staff pay rise of 2% for the year 2019/2020.

Our five year forecast currently shows a general reserves breakeven position for the year 2019/20; an action plan is being devised to ensure the replenishment of general reserves taking place from 2021 onwards.

Work on our 10 year vision continues, and trustees have decided that all vision work must be self-financing. Any new developments to our existing services must also be self-financing for the next few years; general reserves will not be used to fund such initiatives.

The Hospice designates certain reserves for specific purposes. Trustees approve a list of designated reserves each year. The total at 31 March 2019 was £76k. These reserves are ring fenced for specific use in the following financial year and arise from a variety of sources.

**Future Plans**

The financial environment experienced by all health and charitable organisations over recent years has had a profound effect on trustees' view of the management of reserves. Trustees aim to preserve the financial stability of the Hospice by limiting expenditure of general reserves, and aspire to increase the level of reserves over year to come. In particular, external funding is sought for any new initiatives and projects undertaken by Hospice staff, rather than drawing on existing reserves.

**Funding**

The Trustees are satisfied that the charity's assets are available and adequate to fulfil its obligations in relation to activities. These financial statements have therefore been produced on the basis that all of the services are operating as a going concern.



**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019  
(continued)**

**STRATEGIC REPORT – REGULATORY STATEMENTS (continued)**

**Trustees' Responsibilities Statement**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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 charitable company will continue in business.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**  
**(continued)**

**STRATEGIC REPORT – REGULATORY STATEMENTS (continued)**

**Auditor**

RSM UK Audit LLP have indicated their willingness to continue in office as auditor, and a resolution concerning their reappointment will be proposed at this year's Annual General Meeting.

**By order of the Board**



**M Liston**  
**Chairman**

25/09/19

**ST OSWALD'S HOSPICE LIMITED**  
**(A Company Limited by Guarantee)**

**FINANCIAL STATEMENTS**

**For the Year Ended**

**31 March 2019**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST OSWALD'S HOSPICE LIMITED**

### **Opinion**

We have audited the financial statements of St Oswald's Hospice Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2019 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cashflows 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 group's and the parent charitable company's affairs as at 31 March 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST OSWALD'S HOSPICE LIMITED (CONTINUED)**

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 and the Director's Report and the Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

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

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

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 33, 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST OSWALD'S HOSPICE LIMITED (CONTINUED)**

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

### **Use of our report**

This report is made solely to the charitable company's members, 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.

RSM UK Audit LLP

LUCY ROBSON (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

.....17/10/19.....

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating the Income and Expenditure Account)**

**FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Income and Expenditure</b>					
<b>Income from:</b>					
Donations and legacies	2	2,292,045	930,507	3,222,552	2,919,603
Other trading activities	3	5,336,141	-	5,336,141	5,570,697
Investments	5	44,662	-	44,662	41,267
Charitable activities	6	3,862,502	199,820	4,062,322	4,043,684
<b>Total income</b>		<b>11,535,350</b>	<b>1,130,327</b>	<b>12,665,677</b>	<b>12,575,251</b>
<b>Expenditure:</b>					
Raising funds: other trading activities:					
Voluntary Income	7	488,117	-	488,117	363,732
Cost of activities for generating funds	7	3,871,404	-	3,871,404	3,889,002
Investment Management Fees		4,861	-	4,861	10,665
Cost of Charitable Activities	11	7,227,237	1,513,690	8,740,927	8,214,494
<b>Total Expenditure</b>		<b>11,591,619</b>	<b>1,513,690</b>	<b>13,105,309</b>	<b>12,477,893</b>
<b>Net (expenditure)/ income before movement in investments</b>					
		(56,269)	(383,363)	(439,632)	97,358
Net loss on disposal of fixed assets		-	-	-	-
Gain on investment assets	16	6,742	-	6,742	9,959
<b>Net movement in funds</b>		<b>(49,527)</b>	<b>(383,363)</b>	<b>(432,890)</b>	<b>107,317</b>
Total funds brought forward					
at 1 April 2018	23	8,158,853	6,019,608	14,178,461	14,071,144
Transfers between funds	23	(10,355)	10,355	-	-
<b>Total funds carried forward at 31 March 2019</b>	<b>23</b>	<b>8,098,971</b>	<b>5,646,600</b>	<b>13,745,571</b>	<b>14,178,461</b>

All of the activities were continuing. There were no recognised gains and losses other than those included in the deficit this year.

The notes on pages 43 to 72 form part of these financial statements.


**BALANCE SHEET AS AT 31 MARCH 2019**

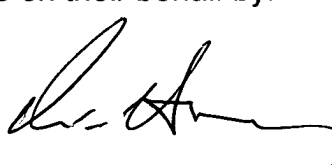
**Group/Hospice**

		<b>Group</b>		<b>Hospice</b>	
	<b>Notes</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Fixed Assets</b>					
Tangible assets	15	9,478,101	9,920,192	9,478,101	9,920,192
Investments	16	1,233,812	1,231,931	1,233,814	1,231,933
Long term deposit		-	-	-	-
		<u>10,711,913</u>	<u>11,152,123</u>	<u>10,711,915</u>	<u>11,152,125</u>
<b>Current Assets</b>					
Stocks		34,193	45,174	18,230	20,796
Debtors	17	2,152,808	1,951,833	2,162,775	1,980,180
Short term deposit		-	-	-	-
Cash at bank and in hand		<u>2,022,752</u>	<u>2,280,794</u>	<u>1,575,453</u>	<u>1,978,932</u>
		4,209,753	4,277,801	3,756,458	3,979,908
<b>Creditors:</b>					
<b>Amounts falling due within one year</b>	18	<u>(1,176,095)</u>	<u>(1,251,463)</u>	<u>(802,434)</u>	<u>(1,143,855)</u>
<b>Net current assets</b>		<u><b>3,033,658</b></u>	<u><b>3,026,338</b></u>	<u><b>2,954,024</b></u>	<u><b>2,836,053</b></u>
<b>Total assets less current liabilities</b>		13,745,571	14,178,461	13,655,939	13,988,178
<b>Provisions for liabilities</b>	19	-	-	-	-
<b>Net assets</b>		<u><b>13,745,571</b></u>	<u><b>14,178,461</b></u>	<u><b>13,655,939</b></u>	<u><b>13,988,178</b></u>
<b>Funds</b>					
Unrestricted funds:					
General funds	23	8,019,339	7,968,570	8,019,339	7,968,570
Non-Charitable Trading Reserve	23	<u>79,632</u>	<u>190,283</u>	-	-
		8,098,971	8,158,853	8,019,339	7,968,570
Restricted funds	23	<u>5,646,600</u>	<u>6,019,608</u>	<u>5,646,600</u>	<u>6,019,608</u>
<b>Total funds</b>		<u><b>13,745,571</b></u>	<u><b>14,178,461</b></u>	<u><b>13,665,939</b></u>	<u><b>13,988,178</b></u>

The net deficit before recognised gains and losses for the unconsolidated entity St Oswald's Hospice Limited was £322,239 (2018: net surplus £43,734).

The financial statements of St Oswald's Hospice Limited (registered number 01166239) on pages 39 to 72 were approved by the members of the Board of Trustees on 25<sup>th</sup> September 2019 and signed and authorised for issue on their behalf by:

  
**M Liston**  
**Chairman**

  
**B Hedley**  
**Treasurer**



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2019 £	2018 £	2018 £
Net cash (outflow)/inflow from operating activities		(150,222)		554,045
<b>Cash flows from investing activities:</b>				
Dividend, interest and rents from investments received	44,662		41,267	
Purchase of tangible fixed assets	(157,343)		(208,901)	
Proceeds of sale of investments	290,838		225,840	
Purchase of investments	<u>(297,624)</u>		<u>(210,611)</u>	
Net cash (used in)/from investing activities		(119,467)		(152,405)
Increase/(decrease) in cash held in portfolio		<u>11,647</u>		<u>(4,564)</u>
<b>Net cash (decrease)/increase</b>		<u><u>(258,042)</u></u>		<u><u>397,076</u></u>

**Reconciliation of net income / (expenditure)  
to net cash flow from operating activities**

	2019 £	2018 £
Net (outgoing) / incoming resources	(439,632)	97,358
Depreciation	581,427	621,498
Investment income	(44,662)	(41,267)
Loss on sale of Fixed Assets	18,007	3,184
Decrease in stocks	10,981	30,110
(Increase) in debtors	(200,975)	(793,141)
(Decrease) / increase in creditors	<u>(75,368)</u>	<u>636,303</u>
	<u><u>(150,222)</u></u>	<u><u>554,045</u></u>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

**Reconciliation of net cash flow to movement  
in net funds**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
(Decrease) / increase in cash in the year	<u>(258,042)</u>	<u>397,076</u>
Movement in net funds in the year	(258,042)	397,076
Net funds at 1 April 2018	<u>2,280,794</u>	<u>1,883,718</u>
<b>Net funds at 31 March 2019</b>	<u><b>2,022,752</b></u>	<u><b>2,280,794</b></u>

<b>Analysis of net funds</b>	<b>Opening net funds 1/4/18 £</b>	<b>Cash Flow £</b>	<b>Closing net funds 31/03/19 £</b>
Cash at bank and in hand	<u>2,280,794</u>	<u>(258,042)</u>	<u>2,022,752</u>
	<u>2,280,794</u>	<u>(258,042)</u>	<u>2,022,752</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. ACCOUNTING POLICIES**

#### **(a) Basis of preparation and consolidation**

##### **Accounting policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

##### **Basis of accounting**

St Oswald's Hospice Limited is a charitable company, limited by guarantee, registered in England. The address of the charity's registered office and principal place of business is Regent Avenue, Gosforth, Newcastle upon Tyne, NE3 1EE.

St Oswald's Hospice Limited meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the provision of hospice services to members of the public suffering from life-limiting illnesses.

These financial statements have been prepared in accordance with "Accounting and Reporting by Charities": Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost of transaction value except for investments which are included at market value, and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective 1 January 2015 (Charities SORP (FRS 102)) and the Companies Act 2006.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking, St Oswald's Hospice Promotions Limited. The results of the subsidiary are consolidated on a line-by-line basis. The Charity has taken the opportunity presented by FRS 102 not to disclose transactions with the subsidiary.

The charity has availed itself of Section 396 of Chapter 4 (paragraph 5) of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006.

The financial statements have been prepared on the assumption that the organisation will continue as a going concern for the foreseeable future. See further detail within the financial review on pages 28 to 30 and reserves policy on pages 31 and 32.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **(b) Hospice status**

The Hospice is a company limited by guarantee. The guarantors are the members of the company. The liability in respect of the guarantee, as set out in the memorandum, is limited to £1 per member.

### **(c) Fund accounting**

General funds are available for use, at the discretion of the Members of Council, in furtherance of the general objectives of the Hospice.

Restricted funds are subject to specific restrictive conditions imposed by funders or by the purpose of the appeal. The purpose and use of the restricted funds is set out in the notes to the financial statements.

Designated funds comprise general funds that have been set aside at the discretion of the Members of Council for specific purposes. The purpose and use of these designated funds is set out in the notes to the financial statements.

The non-charitable trading reserve represents the reserves held within St Oswald's Hospice Promotions Ltd.

All income and expenditure is shown in the Consolidated Statement of Financial Activities.

### **(d) Goods for resale**

Goods donated for resale are recognised as income on their sale. No value is attributed to these items prior to sale.

### **(e) Legacies receivable**

Income arising from legacies is recognised in the financial statements when the Hospice is notified of these entitlements, probate has been granted and the amount receivable can be defined with reasonable accuracy.

### **(f) Deferred income**

Income received in advance of entitlement is treated as a creditor and recognised as income in the period that it is entitled.

### **(g) Gifts in kind**

The economic value of services provided by volunteers is not recorded in the financial statements. Volunteers carry out a great variety of roles, both regular and ad hoc, utilising skills and experience with differing economic values. To try and measure the value of each service provided is considered an exercise that would be too time consuming and too costly, utilising resources that could be better used for the benefit of patients and their families.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **(h) Grants receivable**

Grants receivable are recognised in the Statement of Financial Activities as income. Where grants are received in relation to capital assets, the income is restricted as a reserve and written down in line with the depreciation relating to the asset concerned. Revenue grants are recognised in the year in which entitlement, certainty and measurable criteria are met.

### **(i) Resources expended**

All expenditure is accounted for on an accruals basis. Costs of generating funds are those costs associated with the raising of funds from all the possible sources of incoming resources. Cost of activities in furtherance of the charity's objects comprise expenditure incurred by the charity in meeting its main charitable objectives, namely the provision of hospice services.

Governance costs comprise those costs relating to the management of the charity's assets, an allocation of administration costs and compliance with constitutional and statutory requirements. Support costs have been allocated to an activity in proportion to the income generated by that activity where appropriate.

### **(j) Pension costs**

The company contributes to the National Health Service Pension Scheme in respect of employees who were members of the scheme prior to their employment with the Hospice. This scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. Consequently, it is not possible for the company to identify its share of the underlying assets and liabilities of the scheme. The scheme is therefore accounted for as a defined contribution scheme in accordance with FRS 102. For other employees the Hospice contributes to a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions due for the year under both schemes are charged to the Statement of Financial Activities.

### **(k) Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

Employees are entitled to carry forward unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

### **(l) Operating leases**

The annual rentals are recognised in the Statement of Financial Activities as incurred over the lease term.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **(m) Irrecoverable VAT**

Irrecoverable VAT in relation to capital assets is capitalised with the cost of the assets concerned. Irrecoverable VAT that is incurred in each financial period in relation to items of revenue expenditure is recognised as a separate category of expenditure which is then allocated as a support cost as under note (i) above.

### **(n) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost including any incidental expenses of acquisition. Only assets with a cost of more than £500 are capitalised. Items costing less than this are treated as expenditure items.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

Freehold premises	- 2% straight line
Short lease premises	- Spread over the term of the lease
Motor vehicles	- 25% straight line
Fixtures, fittings and equipment	- 10%-25% straight line

No depreciation is charged on freehold land.

Depreciation has been charged in relation to buildings from the date that each service became operational. These buildings are reviewed on an on-going basis to ensure their value is not subject to any impairment.

### **(o) Investments**

Listed investments are stated in the balance sheet at mid-market value at the balance sheet date. Unlisted investments are stated at historic cost or, if gifted, at nominal value. Realised gains and losses on the disposal of investments are recognised in the Statement of Financial Activities. Unrealised gains and losses relating to movements in market value of investments are recognised in the Statement of Financial Activities.

### **(p) Stocks**

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal.

### **(q) Liquid Resources**

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

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **(r) Financial instruments**

The charity has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS 102, in full to all of its financial instruments.

All of the charities financial assets and financial liabilities qualify as basic financial instruments. Basic Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### **Financial assets: Trade and other debtors**

Trade, group and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

#### **Financial liabilities: Trade and other creditors**

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

### **Reduced Disclosures**

In accordance with FRS 102, the Charity has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 ‘Statement of Cash Flows’ – Presentation of a Statement of Cashflow and related notes and disclosures.

### **(s) Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Critical areas of judgement**

Legacy recognition - legacies are recognised on a case by case basis after considering whether probate has been granted, and when the executor of the estate has communicated in writing both the amount and settlement date.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. DONATIONS AND LEGACIES

	General funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Donations	774,408	930,507	1,704,915	1,505,301
Legacies	1,517,637	-	1,517,637	1,414,302
<b>Total</b>	<b>2,292,045</b>	<b>930,507</b>	<b>3,222,552</b>	<b>2,919,603</b>
<b>2018 Total</b>	<b>2,379,362</b>	<b>540,241</b>	<b>2,919,603</b>	

St Oswald's Hospice Limited has an established team of volunteers who offer their time to each department across both the Trading Company and the Charity. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts. The current headcount is in the region of 1,100 volunteers working side by side with paid staff to support them to fulfil their duties. Volunteers are a valued resource to the organisation and we recognise their commitment and value.

### 3. OTHER TRADING ACTIVITIES

	General funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Special events	820,302	-	820,302	874,832
Sale of donated goods	3,068,035	-	3,068,035	3,037,334
Catering sales	36,367	-	36,367	34,358
Trading subsidiary income (Note 4)	1,411,437	-	1,411,437	1,624,173
<b>Total incoming resources from other trading activities</b>	<b>5,336,141</b>	<b>-</b>	<b>5,336,141</b>	<b>5,570,697</b>

The income from Other Trading activities in 2019 and 2018 all related to unrestricted funds.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. TRADING SUBSIDIARY INCOME AND EXPENDITURE

The Hospice controls the whole of the issued ordinary share capital of St Oswald's Hospice Promotions Limited, a company registered in England. The taxable profits of the subsidiary are transferred to the Hospice each year by Gift Aid.

The results of the subsidiary are summarised below:

	<b>Total 2019</b>	<b>Total 2018</b>
	<b>£</b>	<b>£</b>
Turnover	1,411,437	1,624,173
Cost of sales	<u>(391,387)</u>	<u>(400,637)</u>
Gross profit	1,020,050	1,223,536
Administrative expenses	<u>(253,294)</u>	<u>(247,056)</u>
Operating profit	766,756	976,480
Interest receivable	<u>-</u>	<u>-</u>
Profit on ordinary activities	<b><u>766,756</u></b>	<b><u>976,480</u></b>

The net assets of the subsidiary at 31 March 2019 amounted to £79,634 (2018: £190,285).

### 5. INVESTMENTS

	<b>Total 2019</b>	<b>Total 2018</b>
	<b>£</b>	<b>£</b>
Dividends received	42,993	40,740
Interest received - charity	<u>1,669</u>	<u>527</u>
	<b><u>44,662</u></b>	<b><u>41,267</u></b>

Dividends receivable arise from the fixed asset investment portfolio. No individual shareholding within the portfolio generates more than 5% of the total dividends receivable.

The income from investments in 2019 and 2018 all related to unrestricted funds.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 6. CHARITABLE ACTIVITIES

	General funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Public Authority contributions:				
Adult inpatient services	1,684,257	-	1,684,257	1,673,554
Adult day care services	1,306,556	-	1,306,556	1,315,883
Children & Young Adults' services	766,017	199,820	965,837	895,249
Medical outreach	70,608	-	70,608	82,196
Educational activities	14,896	-	14,896	22,735
Other professional income	20,168	-	20,168	54,067
<b>Total</b>	<b>3,862,502</b>	<b>199,820</b>	<b>4,062,322</b>	<b>4,043,684</b>
<b>2018 Total</b>	<b>3,843,864</b>	<b>199,820</b>	<b>4,043,684</b>	

Within the restricted income shown above for both 2019 and 2018 is a grant of £199,820 received from the Department of Health.

### 7. Raising funds: Other trading activity

	General funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Costs relating to donations & legacies	488,117	-	488,117	363,732
Event costs	471,855	-	471,855	502,926
Sale of donated goods	2,643,247	-	2,643,247	2,633,693
Catering and other sales	111,621	-	111,621	104,692
Costs of trading subsidiary (Note 4)	644,681	-	644,681	647,691
Investment management fees	4,861	-	4,861	10,665
<b>Total</b>	<b>4,364,382</b>	<b>-</b>	<b>4,364,382</b>	<b>4,263,399</b>
<b>2018 Total</b>	<b>4,263,399</b>	<b>-</b>	<b>4,263,399</b>	

### 8. COSTS OF CHARITABLE ACTIVITIES

	General funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Adult inpatient services	2,606,228	352,037	2,958,265	3,001,654
Adult day care services	2,064,066	390,915	2,454,981	2,337,286
Children & Young Adults' services	1,707,535	421,445	2,128,980	1,995,106
Bereavement Centre	171,945	-	171,945	102,153
Medical outreach	80,112	-	80,112	13,585
Strategic projects (Incl Macmillan)	8,844	344,680	353,524	207,478
Education activities	149,167	4,613	153,780	134,994
Governance costs	439,340	-	439,340	422,238
<b>Total costs of charitable activities</b>	<b>7,227,237</b>	<b>1,513,690</b>	<b>8,740,927</b>	<b>8,214,494</b>
<b>2018 Total</b>	<b>7,264,673</b>	<b>949,821</b>	<b>8,214,494</b>	

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9. NET INCOMING RESOURCES BEFORE RECOGNISED GAINS AND LOSSES

Net (outgoing) / incoming resources before recognised gains and losses are stated after charging:

	Group	Hospice	Group	Hospice
	2019	2019	2018	2018
	£	£	£	£
Depreciation	581,427	581,427	621,498	621,498
Audit fees	15,000	12,750	15,000	12,750
Other auditors' remuneration	750	-	750	-
Operating lease charges (land & buildings)	450,433	450,433	492,235	492,235
Pension costs	522,088	512,724	466,929	455,804
Loss on disposal fixed assets	18,007	18,007	3,184	3,184

### 10. ANALYSIS OF SUPPORT COSTS

The expenditure shown in the Statement of Financial Activities includes the direct costs of each activity and a proportion of support costs incurred, as required by the Statement of Recommended Practice - Accounting and Reporting by Charities, effective 1 January 2015. The basis of allocation is explained in Note 1, Accounting Policies and a separate analysis of the costs that have been allocated is set out below:

	Human Resources	Information Systems	Finance	Corporate Services	Total Allocation (Note 11)
	£	£	£	£	£
<b>Donations &amp; Legacies</b>	7,525	12,984	15,608	18,224	54,341
<b>Commercial trading activities:</b>					
Event costs	7,832	13,513	16,245	18,968	56,558
Sale of donated goods	39,943	68,916	82,848	96,733	288,440
Catering sales	4,349	7,503	9,020	10,531	31,403
	52,124	89,932	108,113	126,232	376,401
<b>Charitable activities</b>					
Adult inpatient services	24,074	41,535	49,932	58,300	173,841
Adult day services	14,500	25,017	30,075	35,115	104,707
Children's services	24,884	42,934	51,613	60,263	179,694
Medical outreach	3,210	5,539	6,658	7,774	23,181
Educational activities	1,369	2,363	2,840	3,316	9,888
Bereavement Centre	2,255	3,891	4,677	5,461	16,284
Strategic projects	3,065	5,287	6,356	7,422	22,130
Governance	3,916	6,757	8,123	9,484	28,280
	77,273	133,323	160,274	187,135	558,005
<b>Total allocated support costs</b>	<b>136,922</b>	<b>236,239</b>	<b>283,995</b>	<b>331,591</b>	<b>988,747</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Direct Activity Costs	Support Costs (Note 10)	Depreciation	Total 2019	Total 2018
	£	£	£	£	£
<b>Voluntary</b>	<b>430,862</b>	<b>54,341</b>	<b>2,914</b>	<b>488,117</b>	<b>363,732</b>
<b>Cost of activities for generating funds:</b>					
Event costs	412,265	56,558	3,032	471,855	502,926
Sale of donated goods	2,252,554	288,440	102,253	2,643,247	2,633,693
Catering and other sales	63,259	31,403	16,959	111,621	104,690
Costs of trading subsidiary (Note 4)	644,681	-	-	644,681	647,693
	3,372,759	376,401	122,244	3,871,404	3,889,002
Investment management fees	4,861	-	-	4,861	10,665
<b>Total cost of activities for generating funds</b>	<b>3,377,620</b>	<b>376,401</b>	<b>122,244</b>	<b>3,876,265</b>	<b>3,899,667</b>
<b>Charitable activities:</b>					
Provision of hospice services:					
Adult inpatient services	2,630,179	173,841	154,245	2,958,265	3,001,654
Adult day services	2,220,305	104,707	129,969	2,454,981	2,337,286
Children and Young Adults' services	1,840,858	179,694	108,428	2,128,980	1,995,106
Bereavement Centre	148,611	23,181	153	171,945	102,153
Medical outreach	70,224	9,888	-	80,112	13,585
Strategic projects	337,111	16,284	129	353,524	207,478
Educational activities	126,773	22,130	4,877	153,780	134,994
	<b>7,374,061</b>	<b>529,725</b>	<b>397,801</b>	<b>8,301,587</b>	<b>7,792,256</b>
Governance costs	411,060	28,280	-	439,340	422,238
<b>Total</b>	<b>11,593,603</b>	<b>988,747</b>	<b>522,959</b>	<b>13,105,309</b>	<b>12,477,893</b>

Governance costs comprise mainly the costs of the Hospice Management Team and associated members of staff.

### 12. TRUSTEES

The trustees (who are also directors) were not entitled to receive any remuneration during the year and no remuneration was paid to them (2018: £nil).

The amount of expenses reimbursed to Trustees during the year was £nil (2018: £nil).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13. STAFF COSTS - GROUP

	2019	2018
	£	£
Wages and salaries	7,599,270	7,199,953
Social security costs	635,910	571,519
Pension costs	531,452	442,487
Staff costs	<u>8,766,632</u>	<u>8,213,959</u>

There were five employees during the year (2018: four) whose emoluments amounted to over £60,000. Of these employees, three (2018: three) were consultants or senior medical staff, including the highest paid member of staff in each year. These staff can be analysed as follows:

	2019 Number	2018 Number
£60,001 - £70,000	2	1
£70,001 - £80,000	2	2
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1

Pension contributions made in respect of those staff classified as higher paid employees were £38,397 (2018: £34,126) in aggregate. Of these staff one was accruing benefits under a defined contribution scheme (2018: none) and four were accruing benefits under a defined benefit scheme (2018: four).

	2019 Number	2019 Whole time Equivalent Number	2018 Number	2018 Whole time Equivalent Number
<b>Staff breakdown:</b>				
Direct charitable services	210	161	196	152
Support services	26	20	27	21
Management and administration	7	6	7	6
Fundraising and publicity	33	29	30	24
Trading activities (including subsidiary)	77	67	77	67
	<u>353</u>	<u>283</u>	<u>337</u>	<u>270</u>

Average staff numbers have been stated as full time working equivalents, based on a full time working week of 37.5 hours.

The company makes contributions to approved pension schemes for staff based on their earnings.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **13. STAFF COSTS – GROUP (continued)**

#### **Key management personnel**

The key management personnel of the group comprise those of the charity and the key management personnel of its wholly owned subsidiary St Oswald's Hospice Promotions Limited. The total employee benefits of the key management personnel of the group were £453,169 (2018: £441,223).

The key management personnel of the charity comprise the Trustees and Hospice Management Team listed on page 4 of this report

The key management personnel of St Oswald's Hospice Promotions Limited are:

Mr J R Ellam

Mrs HA Eadington

Mrs A Ball

Mrs K MacLaren

#### **Pension**

The liabilities of the Federated Flexiplan No.1 were matched in full by its assets during the year ended 31 March 2019. No further sums are payable to the scheme by St Oswald's Hospice Ltd.

### **14. TAXATION**

As a registered charity, the company is entitled to the exemptions from taxation in respect of income and capital gains received within categories covered by s252 Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied for charitable purposes only. It is therefore not normally liable to UK Corporation Tax.

Taxation of £nil (2018: £nil) has been accounted for in the results of the subsidiary.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**15. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold Land and Buildings £</b>	<b>Short Lease Premises £</b>	<b>Motor Vehicles £</b>	<b>Fixtures, Fittings and Equipment £</b>	<b>Total £</b>
<b>Cost</b>					
1 April 2018	10,937,821	1,024,852	34,048	2,795,147	14,791,868
Disposals	-	-	-	(29,940)	(29,940)
Additions	-	24,120	62,760	70,463	157,343
<b>31 March 2019</b>	<b>10,937,821</b>	<b>1,048,972</b>	<b>96,808</b>	<b>2,835,670</b>	<b>14,919,271</b>
<b>Depreciation</b>					
1 April 2018	2,506,670	785,898	34,048	1,545,060	4,871,676
Disposals	-	-	-	(11,933)	(11,933)
Charge for the year	176,091	98,166	6,844	300,326	581,427
<b>31 March 2019</b>	<b>2,682,761</b>	<b>884,064</b>	<b>40,892</b>	<b>1,833,453</b>	<b>5,441,170</b>
<b>Net book value:</b>					
<b>31 March 2019</b>	<b>8,255,060</b>	<b>164,908</b>	<b>55,916</b>	<b>1,002,217</b>	<b>9,478,101</b>
<b>31 March 2018</b>	<b>8,431,151</b>	<b>238,954</b>	<b>-</b>	<b>1,250,087</b>	<b>9,920,192</b>

The freehold land and buildings, short lease premises, motor vehicles and fixtures, fittings and equipment are all used for charitable purposes.

<b>Hospice</b>	<b>Freehold Land and Buildings £</b>	<b>Short Lease Premises £</b>	<b>Motor Vehicles £</b>	<b>Fixtures, Fittings and Equipment £</b>	<b>Total £</b>
<b>Cost</b>					
1 April 2018	10,937,821	1,024,852	34,048	2,786,647	14,783,368
Disposals	-	-	-	(29,940)	(29,940)
Additions	-	24,120	62,760	70,463	157,343
<b>31 March 2019</b>	<b>10,937,821</b>	<b>1,048,972</b>	<b>96,808</b>	<b>2,827,170</b>	<b>14,910,771</b>
<b>Depreciation</b>					
1 April 2018	2,508,793	785,898	34,048	1,534,437	4,863,176
Disposals	-	-	-	(11,933)	(11,933)
Charge for the year	176,091	98,166	6,844	300,326	581,427
<b>31 March 2019</b>	<b>2,684,884</b>	<b>884,064</b>	<b>40,892</b>	<b>1,822,830</b>	<b>5,432,670</b>
<b>Net book value:</b>					
<b>31 March 2019</b>	<b>8,252,937</b>	<b>164,908</b>	<b>55,916</b>	<b>1,004,340</b>	<b>9,478,101</b>
<b>31 March 2018</b>	<b>8,429,028</b>	<b>238,954</b>	<b>-</b>	<b>1,252,210</b>	<b>9,920,192</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**16. INVESTMENTS HELD AS FIXED ASSETS**

	Listed £	Group Unlisted £	Total £	Listed £	Hospice Unlisted £	Total £
<b>Listed investments</b>						
Value at 1 April 2018	1,164,263	-	1,164,263	1,164,263	2	1,164,265
Additions	297,624	-	297,624	297,624	-	297,624
Disposals	(290,838)	-	(290,838)	(290,838)	-	(290,838)
Net investment gain	6,742	-	6,742	6,742	-	6,742
<b>Value at 31 March 2019</b>	<b>1,177,791</b>	<b>-</b>	<b>1,177,791</b>	<b>1,177,791</b>	<b>2</b>	<b>1,177,793</b>
At 1 April 2018	67,668	-	67,668	67,668	-	67,668
Movements in cash	(11,647)	-	(11,647)	(11,647)	-	(11,647)
<b>At 31 March 2019</b>	<b>56,021</b>	<b>-</b>	<b>56,021</b>	<b>56,021</b>	<b>-</b>	<b>56,021</b>
<b>31 March 2019</b>	<b>1,233,812</b>	<b>-</b>	<b>1,233,812</b>	<b>1,233,812</b>	<b>2</b>	<b>1,233,814</b>
31 March 2018	1,231,931	-	1,231,931	1,231,931	2	1,231,933

All of the investments are unrestricted.

**Distribution of listed investments (Market Value)**

	Group	
	2019	2018
	%	%
UK fixed interest	35.1	32.2
UK equities	47.9	48.3
Overseas equities	12.5	14.0
Alternative investments	0.0	-
Cash	4.5	5.5
	<u>100.0</u>	<u>100.0</u>

	2019	2018
	£	£
Historical cost of listed investments at 31 March	<u>613,548</u>	<u>626,445</u>

The shareholding in the subsidiary trading company has been valued at the nominal value of the shares, to be consistent in the valuation of private company shares. The results of the trading subsidiary are set out in Note 4.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**17. DEBTORS**

	<b>Group</b>		<b>Hospice</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts owed by subsidiary undertaking	-	-	23,559	34,598
Trade debtors	387,326	529,185	365,949	528,037
Prepayments	284,049	270,235	281,673	265,132
VAT Debtor	63,562	71,309	73,723	71,309
Accrued income	1,416,559	1,081,104	1,416,559	1,081,104
Other Debtor	1,312	-	1,312	-
	<u>2,152,808</u>	<u>1,951,833</u>	<u>2,162,775</u>	<u>1,980,180</u>

Accrued income includes legacy income notified but not received at year of £1,309,780 (2018: £912,504). Trade debtors relate mainly to sources of statutory income and levels vary across the year depending on timing of invoicing.

**18. CREDITORS: Amounts falling due within one year**

	<b>Group</b>		<b>Hospice</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	277,921	204,210	237,520	201,040
Taxation and social security costs	158,388	152,508	158,388	152,508
Deferred income	414,044	580,620	181,635	495,762
Other creditors	90,923	96,120	90,923	84,105
Accruals	234,819	218,005	133,968	210,440
	<u>1,176,095</u>	<u>1,251,463</u>	<u>802,434</u>	<u>1,143,855</u>

Group deferred income in 2019 includes £nil relating to grant income received but not recognised as income in the year (2018: £nil). The balance also includes payments made in advance by players of the lottery and 200 Club games managed by St Oswald's Hospice Promotions Limited and income deferred in relation to the Elmer art trail in 2019. The movement in group deferred income is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred income brought forward	580,620	92,979
Payments received	1,035,989	1,289,717
Income recognised	(1,202,565)	(802,076)
Deferred income carried forward	<u>414,044</u>	<u>580,620</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 19. PROVISIONS FOR LIABILITIES AND CHARGES

#### Group and Hospice

There were no provisions made relating to liabilities during the year ended 31 March 19.

### 20. FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments at 31 March were:

	2019 £	2018 £
<b>FINANCIAL ASSETS</b>		
Debt instruments measured at amortised cost:		
Trade Debtors	387,326	529,185
Accrued Income	1,416,559	1,081,104
<b>TOTAL</b>	<b>1,803,885</b>	<b>1,610,289</b>
 <b>FINANCIAL LIABILITIES</b>		
Measured at amortised cost:		
Trade Creditors	277,921	204,210
Other Creditors	90,923	96,120
Accruals	234,819	218,005
<b>TOTAL</b>	<b>603,663</b>	<b>518,335</b>

The carrying amounts of the Hospice's financial instruments at 31 March were:

	2019 £	2018 £
<b>FINANCIAL ASSETS</b>		
Debt instruments measured at amortised cost:		
Trade Debtors	365,949	528,037
Group debtors	23,559	34,598
Accrued Income	1,416,559	1,081,104
<b>TOTAL</b>	<b>1,806,067</b>	<b>1,643,739</b>
 <b>FINANCIAL LIABILITIES</b>		
Measured at amortised cost:		
Trade Creditors	237,520	201,040
Group Creditors	-	-
Other Creditors	90,923	84,105
Accruals	133,968	210,440
<b>TOTAL</b>	<b>462,411</b>	<b>495,585</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 21. CONTINGENT LIABILITIES

During the year ended 31 March 2014, the Hospice received from a local solicitor's firm, a distribution of dormant client funds totalling £26,971.64 which was recorded that year as part of voluntary income. This total is made up from a number of smaller amounts. Trustees consider it unlikely that any of this sum will be repayable but the Hospice has indemnified the solicitor's firm for each amount and consequently notes a contingent liability for the same total amount. No additional funds were received since.

### 22. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

<b>At March 2019</b>	<b>General Funds</b>	<b>Restricted Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	3,831,501	5,646,600	9,478,101
Fixed asset investments	1,233,812	-	1,233,812
Current assets	4,209,753	-	4,209,753
Current liabilities	(1,176,095)	-	(1,176,095)
<b>Total net assets</b>	<b>8,098,971</b>	<b>5,646,600</b>	<b>13,745,571</b>

Free reserves, as defined by the Charity Commission, are those general funds that are not represented by tangible fixed assets. Using this definition, the free reserves of the Charity at 31 March 2019 were £4,267,469 (2018: £4,258,269).

<b>At March 2018</b>	<b>General Funds</b>	<b>Restricted Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	3,900,584	6,019,608	9,920,192
Fixed asset investments	1,231,931	-	1,231,931
Current assets	4,277,801	-	4,277,801
Current liabilities	(1,251,463)	-	(1,251,463)
<b>Total net assets</b>	<b>8,158,853</b>	<b>6,019,608</b>	<b>14,178,461</b>

St Oswald's Hospice Limited – Company number 01166239, Registered Charity number 503386

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 23. STATEMENT OF FUNDS – GROUP

#### Statement of funds – Group - for the year ended 31<sup>st</sup> March 2019

	1 April 2018	Income	Expenditure	Transfers	Gift Aid	Gain on investments	31 March 2019
	£	£	£	£	£	£	£
<b>General funds:</b>							
Accumulated funds	7,844,783	10,051,675	(10,827,220)	(10,355)	877,407	6,742	7943,032
Non-charitable trading reserve	190,283	1,411,437	(644,681)	-	(877,407)	-	79,632
<b>Designated funds:</b>							-
Sundry donations for specific purposes – unrestricted	123,787	72,238	(119,718)	-	-	-	76,307
<b>Total unrestricted funds</b>	<b>8,158,853</b>	<b>11,535,350</b>	<b>(11,591,619)</b>	<b>(10,355)</b>	<b>-</b>	<b>6,742</b>	<b>8,098,971</b>
<b>Restricted funds:</b>							
Adult inpatients' unit refurbishment fund	114,374	-	(54,518)	-	-	-	59,856
Aidan Army	574	-	(574)	-	-	-	-
Albert Hunt	4,191	-	-	(4,191)	-	-	-
Barbour Foundation	-	2,000	(35)	-	-	-	1,965
BBC Children in Need	-	24,275	(24,275)	-	-	-	-
Bernard Sunley	-	5,000	-	(5,000)	-	-	-
Children's Heart unit Fund	-	24,328	(24,328)	-	-	-	-
Children's service building fund	2,283,901	-	(79,975)	-	-	-	2,203,926
Coleman fund	224,876	-	(4,613)	-	-	-	220,263
Day hospice building fund	479,641	-	(16,450)	-	-	-	463,191

St Oswald's Hospice Limited – Company number 01166239, Registered Charity number 503386

Day services building fund	1,601,276	-	(38,096)	-	-	-	1,563,180
DOH Grant s64	-	199,820	(199,820)	-	-	-	-
Dementia UK	-	37,084	(37,084)	-	-	-	-
Dickon Trust	-	2,000	(2,000)	-	-	-	-
Family Room upgrade fund	19,235	-	-	(3,557)	-	-	15,678
The Finn Family Fund	866	-	(866)	-	-	-	-
Guyll Leng trust	-	8,500	(5,721)	-	-	-	2,779
High street group - Bed hoist	638	-	(638)	-	-	-	-
Health Education England	23,000	-	(9,310)	-	-	-	13,690
High Sheriff Award	-	500	(500)	-	-	-	-
Hospice Building fund	732,469	-	(28,642)	-	-	-	703,827
Information centre	83,070	-	(5,078)	-	-	-	77,992
Alii Kelly - Children's support worker	11,250	-	(11,250)	-	-	-	-
The Legal Education Foundation	-	54,885	(45,207)	-	-	-	9,678
DB Lowden - Young Adults' Garden	700	-	(700)	-	-	-	-
Macmillan	-	172,315	(172,304)	-	-	-	11
Main Kitchen upgrade fund	164,299	-	(12,958)	(35,797)	-	-	115,544
Main Kitchen upgrade - revenue cost fund	-	-	(35,797)	35,797	-	-	-
Margaret Innes Trust	-	434,776	(434,776)	-	-	-	-
Daisy Marr - pea pod chairs	1,986	-	(165)	-	-	-	1,821
NEPAC 1 - Dynamap x2	1,110	-	-	-	-	-	1,110
NEPAC 2 - Mobile Trolleys & Laptops	-	2,000	-	-	-	-	2,000
NEPAC 3 - Arjo Bath Chair	-	2,000	-	-	-	-	2,000
NEWCPCT - Pharmacist & Technician Q01 Payment (NEWCPCT)	19,108	-	(19,108)	-	-	-	-
Northern Cancer Alliance	-	-	(9,999)	20,000	-	-	10,001

St Oswald's Hospice Limited – Company number 01166239, Registered Charity number 503386

JGW Patterson 1	28,915		(17,559)	-	-	-	11,357
JGW Patterson 2	-	35,000	(32,086)	-	-	-	2,914
Jo Nicolls	-	375	(375)	-	-	-	-
Proctor and Gamble	-	3,700	-	(1,990)	-	-	1,710
Proctor and Gamble (company)	-	3,900	(3,900)	-	-	-	-
Rathbones	-	1,000	(1,000)	-	-	-	-
The Ridley Family Charity - Morpeth Outreach Clinic	4,000	-	(4,000)	-	-	-	-
Rods and Cods	605	-	(328)	-	-	-	277
Rothley Trust	2,097	-	(1,700)	-	-	-	397
Seahouse and District Cancer Research and Relief fund	-	5,000	(42)	-	-	-	4,958
The Shears Foundation	37,500	-	(37,500)	-	-	-	-
The Sir James Knott Trust	-	50,000	(38,690)	-	-	-	11,310
The Social Enterprise Investment Fund	133,058	-	(44,706)	-	-	-	88,352
Together for Short lives	-	35,269	(14,695)	-	-	-	20,574
WA Handley Trust	-	2,600	-	-	-	-	2,600
Ward Kitchen Fund	-	-	(3,557)	3,557	-	-	-
Community Foundation - Equipment for Kids on Ward	500	-	(500)	-	-	-	-
Young adults' service restricted fund 1	30,059	-	(13,263)	-	-	-	16,796
Young adults' service restricted fund 2	9,310	-	(3,203)	-	-	-	6,107
<b>Nurse call system in Children's:</b>							
Hadrian trust	-	1,000	-	(1,000)	-	-	-
Hedley Denton Trust	-	1,000	-	(1,000)	-	-	-
Joseph Strong Frazer	-	1,000	-	(1,000)	-	-	-
Nurse call system (children) fund	-	-	(119)	3,000	-	-	2,881
<b>Accessible Change Facility</b>							
Rank Foundation	-	16,300	(16,300)	-	-	-	-

St Oswald's Hospice Limited – Company number 01166239, Registered Charity number 503386

Proctor and Gamble	-	-	(1,990)	1,990	-	-	-
<b>Secret Garden (children's) Fund</b>							
Riddell Family Community First Fund	-	1,200	(1,200)	-	-	-	-
Tesco / groundworks	-	3,000	(2,145)	(855)	-	-	-
M&S	-	500	(46)	(454)	-	-	-
<b>All Garden Refurb Fund</b>							
Tesco / Groundworks	-	-	-	855	-	-	855
Andrew Lee - Adults Garden	1,000	-	-	-	-	-	1,000
Graham Jenning - Adults garden lighting	6,000	-	-	-	-	-	6,000
<hr/>							
Total restricted funds	6,019,608	1,130,327	(1,513,690)	10,355	-	-	5,646,600
<hr/>							
Total funds	14,178,461	12,665,677	(13,105,309)	-	-	6,742	13,745,571

Transfers have been made from restricted to general funds to reflect conditions met on restricted funding for capital purchases.

St Oswald's Hospice Limited – Company number 01166239, Registered Charity number 503386

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**23. STATEMENT OF FUNDS – GROUP**

**Statement of funds – Group - for the prior year ended 31<sup>st</sup> March 2018**

	1 April 2017	Income	Expenditure	Transfers	Gift Aid	Gain on investments	31 March 2018
	£	£	£	£	£	£	£
<b>General funds:</b>							
Accumulated funds	7,610,544	10,211,017	(10,837,619)	(62,015)	912,897	9,959	7,844,783
Non-charitable trading reserve	126,700	1,624,173	(647,693)	-	(912,897)		190,283
<b>Designated funds:</b>							
Young Adults' Service	-	-	-	-	-	-	-
Sundry donations for specific purposes – unrestricted	104,532	-	(42,760)	62,015	-	-	123,787
<b>Total unrestricted funds</b>	<b>7,841,776</b>	<b>11,835,190</b>	<b>(11,528,072)</b>	<b>-</b>	<b>-</b>	<b>9,959</b>	<b>8,158,853</b>
<b>Restricted funds:</b>							
Adult inpatients' unit refurbishment fund	168,892	-	(54,518)	-	-	-	114,374
Aidan Army	574	-	-	-	-	-	574
Albert Hunt Trust	-	25,000	(20,809)	-	-	-	4,191
J Chapman	2,253	-	(2,253)	-	-	-	-
chART - Children's Hospice Arts	-	2,500	(2,500)	-	-	-	-
BBC Children in Need	-	29,430	(29,430)	-	-	-	-
Children's Service building fund	2,363,876	-	(79,975)	-	-	-	2,283,901
Coleman Fund	229,489	-	(4,613)	-	-	-	224,876
Day Hospice building fund	496,091	-	(16,450)	-	-	-	479,641
Day services building fund	1,639,372	-	(38,096)	-	-	-	1,601,276
Department of Health Children's Hospice Grant	-	199,820	(199,820)	-	-	-	-
Durham Fire Station	930	-	(930)	-	-	-	-
DWF Charitable Foundation	574	-	(574)	-	-	-	-



St Oswald's Hospice Limited – Company number 01166239, Registered Charity number 503386

Family Room Upgrade Fund	-	-	-	19,235	-	-	19,235
The Finn Family Fund	1,776	-	(910)	-	-	-	866
Franciscan Community Chapel	300	-	(300)	-	-	-	-
R Glaholm	950	-	(950)	-	-	-	-
Gosforth Lodge	1,000	-	(1,000)	-	-	-	-
Guyll Leng Charitable Trust	2,000	-	(2,000)	-	-	-	-
WA Handley Trust	2,600	2,600	(5,200)	-	-	-	-
High Street Group	-	638	-	-	-	-	638
Health Education England	-	23,000	-	-	-	-	23,000
Hospice Building fund	761,111	-	(28,642)	-	-	-	732,469
Information centre	88,148	-	(5,078)	-	-	-	83,070
Margaret Innes Trust	-	104,238	(104,238)	-	-	-	-
Graham Jenning	-	6,000	-	-	-	-	6,000
Ali Kelly (Coty)	-	15,000	(3,750)	-	-	-	11,250
Andrew Lee	-	1,000	-	-	-	-	1,000
DB Lowden	-	700	-	-	-	-	700
Macmillan	-	158,840	(158,840)	-	-	-	-
<b>Main Kitchen Upgrade Fund:</b>							
Anonymous donation	5,550	-	-	(5,550)	-	-	-
Mr & Mrs Cape	100	-	-	(100)	-	-	-
Catherine Cookson Trust	20,000	-	-	(20,000)	-	-	-
Dickon Trust care of Community Foundation 2	2,000	-	-	(2,000)	-	-	-
Garfield Weston	10,000	-	-	(10,000)	-	-	-
Sir James Knott Trust	5,000	-	-	(5,000)	-	-	-
Mark Benevolent Fund	62,513	-	45,115	(107,628)	-	-	-
Theresa Smyth	100	-	-	(100)	-	-	-
William Leech Charity	10,000	-	-	(10,000)	-	-	-
William Webster Trust	5,000	-	-	(5,000)	-	-	-

St Oswald's Hospice Limited – Company number 01166239, Registered Charity number 503386

Main Kitchen Upgrade Fund	-	-	(1,079)	165,378			164,299
Daisy Marr	-	2,000	(14)	-	-	-	1,986
NEPAC 1	2,400	-	(2,400)	-	-	-	-
NEPAC 2	-	2,400	(1,290)	-	-	-	1,110
Newcastle & Gateshead CCG	6,638	12,469	-	-	-	-	19,107
Newcastle United	-	537	(537)	-	-	-	-
Newcastle Upon Tyne NHS Foundation Trust	-	12,292	(12,292)	-	-	-	-
One Family Foundation	-	2,527	(2,527)	-	-	-	-
The Order of the Red Cross of Constantine	1,000	-	(1,000)	-	-	-	-
JGW Patterson	28,915	-	-	-	-	-	28,915
Pickard – Sound System	450	-	(450)	-	-	-	-
The Ridley Family Charity	-	8,645	(4,645)	-	-	-	4,000
Rods and Cods	605	-	-	-	-	-	605
Rotaract	1,237	-	(1,237)	-	-	-	-
Rothley Trust 1	2,663	-	(566)	-	-	-	2,097
Rothley Trust 2	-	900	(900)	-	-	-	-
The Shears Foundation	37,500	50,000	(50,000)	-	-	-	37,500
Smith Family Trust	-	291	(291)	-	-	-	-
The Social Enterprise Investment Fund	177,764	-	(44,706)	-	-	-	133,058
Transition taskforce	5,000	-	(5,000)	-	-	-	-
True Colours Trust	7,500	-	(7,500)	-	-	-	-
Tyne & Wear High Sheriff Award Scheme 1 care of Community Foundation	500	-	-	-	-	-	500
Tyne & Wear High Sheriff Award Scheme 2care of Community Foundation	-	2,500	(2,500)	-	-	-	-
Tyneside Charitable Trust	-	1,500	(1,500)	-	-	-	-
Wallace & Gromit Foundation	880	-	(880)	-	-	-	-
<b>Ward Kitchen Refurbishment Fund:</b>							
Mrs Baxter	-	10	(10)	-	-	-	-
C Bradford	-	100	(100)	-	-	-	-

St Oswald's Hospice Limited – Company number 01166239, Registered Charity number 503386

Joseph Strong Frazer Trust	-	1,000	(1,000)	-	-	-	-
Dickon Trust care of Community Foundation 1	-	2,000	(2,000)	-	-	-	-
P Nitz	-	25	(25)	-	-	-	-
Rington Fund care of Community Foundation	-	5,000	(5,000)	-	-	-	-
Catherine Spencer	-	600	-	(600)	-	-	-
Joyce Spencer	-	18,324	-	(18,324)	-	-	-
Phyllis Spencer	-	1,000	(689)	(311)	-	-	-
R Spencer	-	25	(25)	-	-	-	-
H & S Trigg	-	25	(25)	-	-	-	-
Vanzwanberg	-	3,000	(3,000)	-	-	-	-
Natalie Warne (Cundall)	281	9,199	(9,480)	-	-	-	-
Will Charitable Trust	20,000	-	(20,000)	-	-	-	-
Young adults' service restricted fund 1	43,320	-	(13,263)	-	-	-	30,059
Young adults' service restricted fund 2	12,516	-	(3,203)	-	-	-	9,313
<b>Total restricted funds</b>	<b>6,229,368</b>	<b>740,061</b>	<b>(949,821)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,019,608</b>
<b>Total funds</b>	<b>14,071,144</b>	<b>12,575,251</b>	<b>(12,477,893)</b>	<b>-</b>	<b>-</b>	<b>9,959</b>	<b>14,178,461</b>

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **23. STATEMENT OF FUNDS – GROUP (continued)**

#### **General Funds**

Included with the general accumulation funds are the non-charitable trading reserves. These represent the retained profit of the trading subsidiary, St Oswald's Promotions Limited. The gross income and expenditure of the subsidiary have been shown and the transfer represents the amount of profit passed to the parent company by Gift Aid.

#### **Designated funds**

The Trustees of the Charity have decided to put aside part of the accumulated funds to meet specific future expenditure. As a general principle, these funds were given or raised with projects in mind, but their use is not restricted. The Trustees take the view that use of such funds should be designated.

#### **Restricted Funds**

##### **Adult Inpatient Unit Refurbishment Fund**

This refurbishment was carried out using funds from a grant from the Department of Health.

##### **Aidan Army**

This donation was used to purchase children's equipment.

##### **Albert Hunt Trust**

This donation was used towards the cost of new windows in the Dining Room.

##### **Barbour Foundation**

This donation was used to purchase a nurse call system in our Day Services Unit.

##### **BBC Children in Need**

This money was donated to fund a Family & Bereavement Practitioner (Children's Lead). This was the third year of a three year grant.

##### **Bernard Sunley**

This donation was used towards the cost of new windows in the Dining Room.

##### **Children's Heart Unit Fund**

This donation was used to fund family support work at the Freeman Hospital.

##### **Children's Services Building Fund**

This reserve was established from voluntary donations during the Jigsaw Appeal to cover the costs of developing and providing a service to children with life threatening illness and their family members. Expenditure during the year relates to depreciation on the assets used by the children's service.

##### **Coleman Fund**

This was established through donations specifically designated for upgrading and construction work to the Hospice, including the establishment of an education centre.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **23. STATEMENT OF FUNDS – GROUP (continued)**

cost of the project. The figure shown represents the original money raised less accumulated depreciation on the original

#### **Day Hospice Building Fund**

This was established to construct and equip a new Day Hospice. The figure shown represents the original money raised less accumulated depreciation on the original building cost.

#### **Day Services Building Fund**

This reserve represents: the grant of £498,455 from the Department of Health under their Dignity in Care for Older People Capital Gains Programme for Hospices; donations from the family of a patient including gift aid; and the utilisation of £675,632 of free reserves.

#### **Department of Health Children's Hospice Grant**

Funds are received from various sources specifically to meet the needs of the Children and Young Adults' Services. In addition to those mentioned separately below we received £199,820 from the Department of Health.

#### **Dementia UK**

This donation was used to fund an Admiral Nurse post.

#### **Dickon Trust**

This donation was used towards activities in our craft room.

#### **Family Room Upgrade Fund**

This project fund was set up to upgrade our family room.

#### **The Finn Family Fund**

This donation was made towards the cost of providing positive family experiences.

#### **Guyll Leng Charitable Trust**

This donation was used towards the cost of a music therapist in the Children and Young Adult's Unit.

#### **Health Education England**

Funding for research into hospital avoidance and end of life learning programme.

#### **High Street Group**

This money was donated to help fund a new bed hoist in our Children's.

#### **High Sheriff Award**

This donation was given as a gift in recognition of the work of the volunteers in the Children and Young Adult's Unit, and was used to help fund the volunteer team running costs.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **23. STATEMENT OF FUNDS – GROUP (continued)**

#### **Hospice Building Fund**

This fund comprises moneys raised for the original building of the Hospice. The figure shown represents the original money raised less accumulated depreciation on the original building cost.

#### **Information Centre**

This was established to construct and equip an information centre within the grounds of the main Hospice. The project was funded by a grant of £193,356 from the Community Fund, all of which was used to fund capital works. The reserve represents the original grant less accumulated depreciation.

#### **Ali Kelly (Coty)**

This donation was used towards the salary of a Support Worker in our Children's Unit.

#### **DB Lowden**

This money was donated towards the cost of updating the garden for our young adults.

#### **Macmillan**

A transformational project across the regions 10 independent hospices seeking to explore collaborative/joint ways of working to enable greater care provision for the regions patients and families

#### **Main Kitchen Upgrade Fund**

These donations were used towards the cost of improving of our catering facilities and patient nutrition services.

#### **Margaret Innes Trust**

This money was donated towards the running costs of Day Hospice and Bereavement Support services.

#### **Daisy Marr**

This donation was used to purchase two 'pea pod' chairs for our Children's Unit.

#### **NEPAC 1**

This donation was given towards the cost of clinical equipment for our Day Hospice unit.

#### **NEPAC 2**

This money was used to purchase mobile laptops for the Adult Inpatient Unit.

#### **NEPAC 3**

This donation was given towards the cost of a specialist bath chair for the Adult Inpatient Unit.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **23. STATEMENT OF FUNDS – GROUP (continued)**

#### **Northern Cancer Alliance**

Funding for clinical communications.

#### **JGW Patterson Foundation 1**

This donation supported an expanded kitchen project including one year's salary for a dietician.

#### **JGW Patterson Foundation 2**

This donation was given towards the cost of funding a Palliative Care Project.

#### **Jo Nicolls**

This donation was used towards the running costs of the Adult Inpatient Unit.

#### **Proctor and Gamble**

This donation was used towards sessions in the Focus on Living Centre

#### **Proctor and Gamble 2**

This donation was used towards furnishing the new accessible changing facility in the Day Hospice Unit.

#### **Rathbones**

This donation was used to fund the 15<sup>th</sup> birthday party of our Children's Unit.

#### **The Ridley Family Charity**

This donation was used to help fund the salary of a key worker for our Lymphoedema Outreach Clinic in South East Northumberland.

#### **Rods and Cods**

This money was donated towards the cost of fishing trips for children and young adults.

#### **Rothley Trust**

This donation was used to purchase nebulisers and Arjo Bath Chair for our Children's Hospice.

#### **Seahouse and District Cancer Research and Relief Fund**

This donation was used to purchase three syringe drivers for our Inpatient Unit.

#### **The Legal Education Foundation**

Funding for research into the legal needs of adults with life limiting conditions.

#### **The Shears Foundation**

This donation was used to help fund three Senior Nurses in our Children's & Young Adults Service.

#### **The Sir James Knott Trust**

This donation was used to fund posts in the Hospices North East Collaborative project.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **23. STATEMENT OF FUNDS – GROUP (continued)**

#### **The Social Enterprise Investment Fund**

A grant towards the cost of refurbishment of the Day Hospice.

#### **Together for Short Lives**

This donation was used to pay for a young adults MDT clinic.

#### **WA Handley Trust**

This donation was used to fund therapeutic activities in the Day Hospice Unit.

### **24. LEASING COMMITMENTS**

#### **Operating leases**

The company's total future minimum lease payments under non-cancellable operating leases at 31 March 2019 relate to short leasehold land and buildings as set out below:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Operating leases that expire:</b>		
Within one year	435,268	436,302
Within two to five years	1,119,243	987,245
Over five years	429,319	664,923
	<u>1,983,829</u>	<u>2,088,471</u>

The operating leases represent leases of premises. The leases are of varying terms.

### **25. CAPITAL COMMITMENTS**

There were no capital commitments outstanding at the end of the year (2018: £nil).

### **26. RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption under FRS 102 not to disclose transactions with its subsidiary.

We are members of the umbrella organisations Together for Short Lives and Hospice UK, who provide a national voice for children and adult hospices respectively. James Ellam, our Chief Executive, was a Trustee of Together for Short Lives (resigned May 2018) and is the North East's representative on Hospice UK's Advisory Council.

We pay annual membership fees of £2,700 to Hospice UK. During the year we received £35,269 in fundraising income from Together for Short Lives.