



# Trustees' Annual Report and Financial Statements for the year ended 31 March 2018



Registered Company Number: 1166239  
Registered Charity Number: 503386

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

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

### **Welcome to the Annual Report of St Oswald's Hospice Limited for the financial year ended 31 March 2018.**

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 2018. 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 6, where you will also find details of our Management Team. Our professional advisors are detailed on page 7.

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

**Message from our Chairman**

As evidenced by [‘Our Values’](#), St Oswald's strives to provide outstanding, high quality, specialist care to North East adults, babies, children and young people with incurable conditions.

We continue to look at new ways to innovate our services for the benefit of our patients. This year we have further built on the therapeutic activities provided to patients during the day. We now offer more group sessions, one to one appointments and short courses, in addition to traditional Day Hospice. To reflect this change we have renamed our day centre to the ‘Focus on Living Centre’. We hope the name reflects the ethos of our services and demonstrates how we are responding to the changing needs of our patients. In addition, we are further developing our lymphoedema services in the community, which you can read about later on in the report.

Providing outstanding care and support to patients and families is at the heart of what we do, and we continue to make improvements to maintain the home-from-home feel that we are so proud of at the Hospice. This year, as a thank you for caring for a loved one, a family made a donation that helped fund the refurbishment of an out-of-date kitchen on our Inpatient Unit. The kitchen is a place where families can take some time out, make a cup of tea and talk to others in a similar situation. We now hope that more families are able to enjoy this space and be more comfortable during a difficult time.

Significant progress has been made this year to progress our Vision 2025 strategy. The strategy sets out key actions which we are working towards over the next few years, with an aim to improve services and increase access to high-quality, outstanding palliative care for our communities. As part of these actions, we are working collaboratively with other independent hospices within the region. Highlights this year include formalising a name for this collaboration, now referred to as ‘Hospices North East’; beginning conversations and making headway with a number of providers and universities in the region regarding research and education; and securing funding for a specialist dementia nurse. Further information on these exciting developments is included later in the report.

This will be my final message as Chairman as my term of office comes to an end in November 2018 after over 20 years on the Board of the Hospice in one capacity or another. I have felt incredibly privileged to be involved in the Hospice, to have met some fantastic staff, volunteers and Trustees and witnessed the massive changes as the Hospice has grown to offer the range of services we do today. Throughout all of this time we have continued to be well supported by our community, which is underlined by raising more money through fundraising in 2017/18 than any other year to date. Through the continued support of our local community we are able to improve and grow our services, ensuring that outstanding, expert care is available, free of charge, to those who need it. Thank you to everyone who in whatever way supports St Oswald's.

**Mike Robson  
Chairman**

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

**Board of Trustees and Management at 31 March 2018:**

**Vice-Presidents**

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

**Board of Trustees**

Mr M P Robson (Chairman)  
Mrs M Liston (Vice-Chair)  
Mr B Hedley (Treasurer)

Mrs J Clarke	Mrs D Clasper	Mr K Fanibunda
Ms J Harrison	Dr H Lucraft	Dr S Blades
Mrs K Jobson	Mrs C English	

**Changes in the year:**

Dr Blades retired as Vice Chair on 28 November 2017; he still continues to be a Trustee for St Oswald's.

Mrs M Liston was appointed as Vice Chair on 28 November 2017.

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

Mr J R Ellam	Chief Executive
Miss J Gregory	Finance Director (until March 2018)
Mrs K Maclaren	Finance Director (from March 2018)
Mrs H A Eadington	Director of Corporate Services and Company Secretary
Mrs A Egdell	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 2018**  
**(continued)**

**Our Professional Advisors at 31 March 2018**

**Auditors:**

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

Audit One  
1st Floor, Children's Centre  
Durham Road  
Sunderland  
SR3 4AG

**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

Nat West  
Business and Commercial  
2<sup>nd</sup> Floor  
1 Trinity Gardens  
Broad Chare  
Newcastle upon Tyne  
NE1 2HF

**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 2018 (continued)**

### **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 2018**  
(continued)

**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 2018**

<b>Audit and Finance</b>	<b>Nomination and Remuneration</b>	<b>Clinical Governance and Quality</b>
<b>Trustees:</b>		
Mr B Hedley (Chairman)	Mr M Robson (Chairman)	Dr S Blades (Chairman)
Mrs J Clarke	Dr S Blades	Mr K Fanibunda
Dr H Lucraft	Mr B Hedley	Mrs D Clasper
	Mrs K Jobson	Mrs C English
	Mrs M Liston	

<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 Egdell
Mrs K Maclaren	Miss D I Heron	Miss D I Heron

Average Trustee attendance at Audit and Finance, Nomination and Remuneration and Clinical Governance Committee and Quality meetings during the year stood at 89%, 68% and 94% respectively.

Average Trustee attendance at the bi-monthly Board meetings stands at 78%.

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.



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

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. 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, Business Development Manager and Director of Strategy and Development also attend the meetings.

**Changes in Trustees during the year**

This year, Dr Steve Blades stepped down as Vice-Chair, we are enormously grateful for his time and commitment at St Oswald's and pleased he will continue to support us as a Trustee.

Mrs M Liston, a current Trustee, has replaced Dr Steve Blades as Vice-Chair and look forward to the expertise she brings.

**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**

In March 2018, Jill Gregory retired as Finance Director after almost ten years at St Oswald's. Our new Finance Director, Kathryn Maclaren joined us in March 2018 and brings a wealth of experience with her having worked in the not-for-profit finance sector for over 10 years.

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

**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 a range of organisations to help develop palliative care and end of life services within the region. We continue to receive funding from Macmillan Cancer Support to help us develop better collaborative working with other hospices and relevant organisations across the region to benefit our communities. This work has progressed significantly and Macmillan Cancer Support will be funding this work for a further 12 months. 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. James was also a Trustee of Together for Short Lives until stepping down from this role in May 2017.

We pay annual membership fees of £2,700 to Hospice UK. During the year we received £16,545 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 2018 (continued)**

### **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.

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

Our 'values' and linked 'standards of behaviour' which were introduced in 2015 are now becoming well embedded across St Oswald's. We continued to implement values based recruitment and to use them throughout the employment and volunteering cycle.

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 better communicate who we are to prospective staff and volunteers as part of our recruitment processes and retention strategies by clearly setting out how we act, behave and treat each other, for the benefit of our many stakeholders, including ourselves, and our community. Retention rates are monitored on a quarterly basis for staff and volunteers and the year saw the continuing development of strategies to grow retail volunteer recruitment.

The Wellbeing Group has now merged with the Staff Engagement Group and wellbeing is one of the main themes for year one of our new three year People strategy which commences in April 2018. Our focus will be to build on a wide range of provision in place to support staff and volunteer wellbeing through the launch of a year long initiative focussing on 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 survey asked staff for their views on 'integrity' and 'voice'. The year saw us review our staff consultation processes in response to feedback from Staff Reps which led to the development of a new staff communication and consultation policy which will launch in 2018.

We planned a re-organisation of the HR and Volunteer departments with the aim of streamlining our recruitment processes in readiness for implementation 1<sup>st</sup> April 2018.

Each year we fund training programmes, both internally and externally, to ensure our staff and volunteers have the skills and knowledge to do their jobs to the best of their ability. This year we facilitated the delivery of 60 courses and delivered 450 education and training activities to over 3,800 people. We also trained over 130 medical students and GP trainees and registrars. The Hospice also secured repeat funding from Health Education England North East (HENE) for nurses and Allied Health Professionals (AHPs) to undertake degree level modules and masterclasses.

Ensuring compliance with mandatory training requirements is core to the work of the Hospice and we are working closely with the Data Quality and Records Management Group to ensure staff are aware of their responsibilities under the new General Data Protection Regulations, which has been officially implemented.

Line manager development is recognised as essential to staff satisfaction, engagement and organisational success. The 17-18 training programme for line managers' included Resilience, Starting Conversations about Mental Health and Managing Volunteers.

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

Plans for 18-19 include the design and delivery of Data Security Awareness sessions to all staff, a review of appraisal processes and the development of a new management development framework.

Development of education for Hospice staff, and staff from other hospices and end of life providers is part of our Vision 2025 10 year strategy, which is detailed later.

**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 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 Hospice Management Team will take place. This will be benchmarked to other charities of similar size and turnover and seek to compare like with like posts.

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

**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.

St Oswald's promotes 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 Group encourages the involvement of its employees in its management through regular meetings of the worker/director councils which have responsibility for the dissemination of information of particular concern to employees (including financial and economic factors affecting the performance of the Group) and for receiving their views on important matters of policy

**Disabled Persons**

The Group will employ disabled persons when they are suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. 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 with the Group.

During employment the Group seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

**Volunteers**

Approximately 1,100 local people volunteer for us on a regular basis (this figure does not include our corporate or event volunteers as they support us in an ad-hoc manner). Working alongside paid staff, volunteers offer their skills, experience and expertise to every department within the Hospice and the Promotions Company.

Some volunteers work directly with patients, others offer their time to our support services and many volunteer in our shops and at our fundraising events.

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 Volunteer Department.

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

To demonstrate the contribution volunteers make, we've calculated an approximate equivalent cost to the organisation, if we had to pay for the additional support they provide, at the national living wage.

Number of volunteers	1,100 x
Average hours per week	2.5
National Living Wage	7.50
Total number of weeks per yr.	52
=	<b>£1.072 million</b> per year in equivalent

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 2018  
(continued)**

**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 have assisted us in producing a Safety Health Environment and Fire Manual, and will undertake a further audit across our site, 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, Dementia. Both the Clinical Quality Group and RMG report into the Trustees' Clinical Governance and Quality Committee meetings.

Our internal auditor, AuditOne, review our systems of internal control, producing recommendations for improvement, and provide additional support to the Trustees.

**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.



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

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

**Financial Risk Factors**

Within the Strategic Risk Register, reviewed annually by the Trustees, the most significant financial risk facing St Oswald's 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.

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 CCG commissioners and to instigate negotiations wherever necessary.

The Trustees recognise this risk, and balance it with the need to raise money each year to ensure our charitable services can continue and develop. All income generating activities are regularly reviewed to consider whether they are appropriate.

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 all members of staff are fully aware of their responsibilities in respect of handling cash and these procedures are managed by the Finance Director. Staff perform Internal audit reviews at regular intervals and the results are reported to the Audit and Finance Committee and ultimately to the Trustees.

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 Investment 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, and the decision to hold or sell the portfolio is under constant review by the Audit and Finance Committee, which is advised by the Hospice's investment managers, currently UBS.

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

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

**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 review the Hospice's liquidity by means of cash flow forecasts. To date the Hospice's liquid assets, comprising cash and investments, have been sufficient. Should problems arise in the future Trustees have several options open to them to remedy the situation without compromising the Hospice's operations.

**Credit Risk**

The Hospice does not make charges to the individuals for the services it provides and as such has no exposure to credit risk in relation to patients and beneficiaries. Funding from the NHS and local authorities is based on contributions under service level agreements. As this funding is derived from government related public bodies, it is considered that credit risk is minimal.

**Interest Rate Cash Flow Risk**

The company and the trading subsidiary both have interest bearing assets, in the form of cash deposits, which are subject to changes in interest rates. Levels of interest have remained poor at an average of 0.3% (2016/17, 0.3%). Deposited amounts are also low, so the further reduction in interest rates has had little effect on the Hospice's finances.

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

**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**

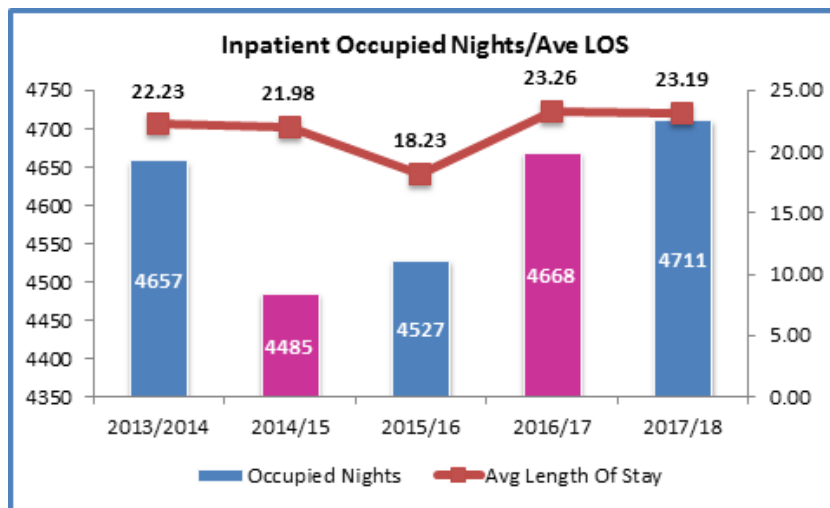
Our inpatient service has fifteen beds and one emergency bed. Our multidisciplinary team works together to: ensure patients with specialist palliative care needs can maximise their quality of living; facilitate a safe and timely patient discharge or transfer to a continuing care service, as well as provide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

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

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

Last year...

- there were 212 adult inpatient admissions, 74 patient discharges and 138 deaths.
- patients stayed with us for an average stay of 23 days.



- 4711 bed days were occupied during the year, a slight increase on the previous year.
- average bed occupancy was 86%.
- 366 phone calls were received from health care professionals to the palliative care advice line – a service offered in conjunction with Marie Curie Cancer Care.

We continue to implement the Outcome Assessment and Complexity Collaborative (OACC) to improve the quality of our services to patients. Following the implementation of care rounding on the unit, we are now introducing the Integrated Palliative Care Outcome Scale (IPOS). IPOS is a scale of measurement that gives patients the opportunity to list their main concerns, to add other symptoms they are experiencing, and to state whether they require more information or have additional practical needs.

Thanks in part to a generous donation from the family of a patient we cared for, our out of date kitchen on our Adult Inpatient Unit has been refurbished. The kitchen is a place where families can take some time out, make a cup of tea and talk to others in a similar situation. Families have fed back that the new kitchen is fit for purpose, without being clinical, so we hope that more families are able to enjoy this space.

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

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

Plans are also being made for a further service development on our Inpatient Unit – to extend and improve a Family Room. The current space was designed for families to spend time away from a patients' bedroom but is not fit for purpose and is largely unused. Plans and funds are now in place to make the room a warm and welcoming environment, as well as providing a safe and private place to take some time out from their loved one's bedside. The room will include comfortable home-from-home furnishings, books and games to entertain young people, a television and a dining table for families to sit together and enjoy a meal.

**What families said. . .**

*"We thank you for making one of the most difficult times in our lives easier with kindness, thoughtfulness and compassion. My father's last days could not have been better without your care and support."*

*"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, so I'm pleased to have been able to support the Hospice in this way."*

*"The support and care we all received was unbelievable – we felt like part of a huge family. Being there was almost like an arm coming over us, we felt safe."*

*"When I first came to St Oswald's I thought it would be just like a hospital but it was more like a home. Everyone was so nice and the nurses were really kind they almost felt like a second family."*

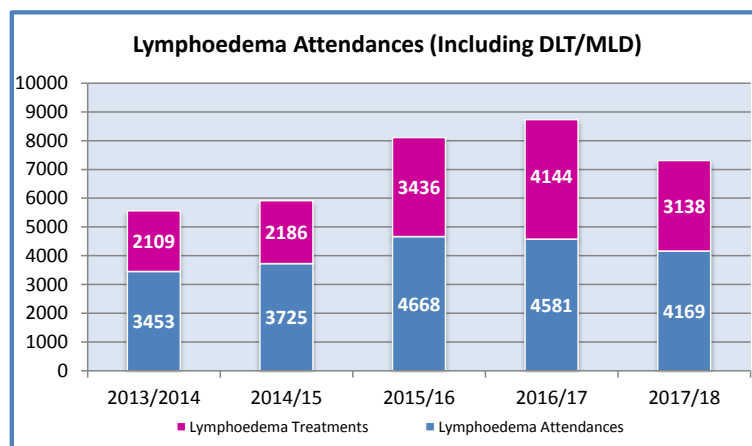
**Adult Day Services**

- Within Day Hospice, we received 146 new referrals, a decrease on last year.
- There was an average of 187 Day Hospice places booked each month, which is 75% of our capacity. Average actual attendance was 53%, which is a decrease on last year.
- This year we have expanded our therapeutic activities and group sessions offered to patients (more details below). 594 places were booked over 15 activities.
- There were 77 Outpatient appointments attendances, including a Consultant-led clinic, a Cognitive Behavioural Therapy clinic and a nurse-led clinic for adults with learning difficulties who have cancer.

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

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

- 932 Complementary Therapy sessions were provided to Outpatients, Day Hospice patients, inpatients and carers.
- We received 741 referrals to our Lymphoedema Service, an 8% decrease on last year.
- We operate outreach in Shiremoor, Blaydon, Morpeth and South Tyneside.
- There were 4,169 lymphoedema attendances, a slight decrease from last year.
- A further 3,138 intensive lymphoedema treatments were also delivered, 1,415 lymphoedema outreach appointments and 135 home visits were provided.
- Outreach appointments have increased by 20% this year, allowing some patients to access care closer to home.



This year we have 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 (Wednesday - Friday) combined with therapeutic group and one to one activities five days a week (Monday - Friday). We hope the name reflects the ethos of our services and demonstrates how we are responding to the changing needs of our day patients.

We are able to offer more therapeutic activities, group sessions, one to one appointments and short courses for people living with progressive life limiting illnesses and their families and carers. In 17/18, 60 patients accessed therapeutic activities and 594 places were booked over 15 activities.

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. We continue to work closely with Northumberland CCG and Northumbria Trust Tissue Viability Service to develop a joint approach to patients with Lymphoedema in Northumberland.

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

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

In addition, we are continuing to develop education for lymphoedema patients, encouraging self-care. Patients who have been referred to the service and are waiting for treatment are invited to pre-assessment group sessions to learn about their condition and find out more about what to expect at St Oswald's. We are also developing materials to support patients to self-care, with an emphasis on those who have been discharged from our care.

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

*"I am extremely lucky I have received treatment from St Oswald's Hospice for the past 15 years and have my lymphoedema under control. Without their service I strongly believe I wouldn't have the life I live now."*

*"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."*

*"At the Hospice they don't just see my husband as a condition, they treat the whole person. Although our main purpose for coming to St Oswald's is for complementary therapy, I know if we have any other problems we can talk about them and the staff and volunteers will go over and above to help us."*

#### **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.

- 51 children and their families benefited from our Children's Service.
- A further 15 young adults were cared for at St Oswald's.
- We had 633 admissions, 1,900 bed days were occupied with an 87% 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.

Over the year we have continued to accept new referrals to the service and are currently supporting over 55 children, young adults and their families. Many of our new referrals are for children aged 3 and under.

In February we were delighted to appoint Jocelyn Thompson, into the post of Children and Young Adults Service Manager replacing Carole Dixon who retired in April 2018. Joss has a wealth of experience in Children's services both acute and community.

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

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

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

*“The Hospice offers me time to have a break, get some sleep and recharge my batteries whilst knowing that my daughter is safe and comfortable. She loves being at the Hospice but for me it’s more than that, it’s about the support we receive. When we walk through the door, the first thing we get is a hug and a coffee.”*

*“Because of my condition, I am in an electric wheelchair all day, and I need help with things like administering medication. My Mam helps me a lot so when I’m at St Oswald’s it means she can have a rest from looking after and supporting me. It benefits me coming to the hospice as it gives me independence away from my family and a different kind of support.”*

**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 (August and September 2015); we were awarded an overall rating of 'Good'. The CQC team 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.

Feedback bank response slips include the option to recommend the Hospice as a care provider (in line with the NHS friends and family test scale), and an opportunity to rate St Oswald's as a care provider. The responses are collated, analysed and then reported in to our Clinical Quality Group for action where necessary.

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.



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

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

This year we continue work to achieve three 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, a second refining the Lymphoedema keyworker pathways, looking specifically at improving self-care through education and a third evaluating the benefits of the Focus on Living Centre courses.

**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.

St Oswald's endeavours to be compliant with the General Data Protection Regulation which came into force on 25<sup>th</sup> May 2018 and the Privacy and Electronic Communications Regulations 2003.

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. 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 2017/18, 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.

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

**Ensuring Quality in Fundraising Practice: Monitoring and Compliance**  
**(continued)**

We have a clear Privacy Policy which is available via our website [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 working at our events, in admin and as ambassadors in the community.

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 2017/18, 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 contact with any donor where there has been no activity on their account in the last 36 months limiting any contact to newsletters only, after 24 months of inactivity.

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

**Ensuring Quality in Fundraising Practice: 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 below:

Our promise to you:

- If we are told “no” we take “no” for an answer, first time, every time.
- We are open and honest about why we are calling.
- We do not call on weekends, Bank Holidays or after 8pm in the evening
- We check whether it is an acceptable time to talk before starting any further conversation.
- We clearly identify ourselves.
- All our Face to Face Fundraisers go through an enhanced criminal records 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 various councils 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 the conversation giving them 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. During this call we ask if the person was happy with our service thus giving everybody an opportunity to feedback if they had felt they were spoken to inappropriately.
- We make it easy for people to tell us their marketing preferences putting donors in the driver's seat with a choice of how they'd prefer to be contacted.

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

**Ensuring Quality in Fundraising Practice: Monitoring and Compliance**  
**(continued)**

- 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 donors can email [fundraising@stoswaldsuk.org](mailto:fundraising@stoswaldsuk.org)

In addition to this, we:

- Are also in the process of developing a comprehensive Fundraising Policy in line with requirement of the General Data Protection Regulations (GDPR) and Fundraising Regulator which should be published later in 2018 and it will be reviewed on an annual basis.
- Keep records of all donations for 10 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.
- 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.
- Conduct regular internal data cleanses every three years detailing to donors why we are asking them to provide certain information and letting them know how we will use this information always giving them an opportunity to either opt in or opt out of future communications.
- We are currently updating our website to allow visitors to update their own information and have ceased any activity in using external data houses to cleanse data.

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

**STRATEGIC REPORT - Ensuring Quality in Retail: Monitoring and Compliance**

St Oswald's Hospice Retail department comprises of 26 shops located across the North East of England. The retail department works to a high-quality standard 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 hold accreditation of ARC (Approved Recycling Centre), and we are a member of 'ReUse', a national recycling and reuse charity which supports over a hundred members helping them meet business compliance by auditing to the world's highest quality standard ISO 9001.

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.

We are a member of the Retail Charity Association which supports over four hundred members. The association influences and monitors legislation and regulations that affect charity retailing, and promotes the benefits of charity retailing to communities.

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 use a system called E-productive business, and using this platform we have raised £129k in the current financial year (2017: £141k).

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

**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:

1. Dementia
2. Learning disabilities
3. Neurological
4. 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 secured funding to employ a specialist dementia nurse, known as an Admiral Nurse, who will provide specialist support to patients with dementia and their families.

This two year post will begin in summer 2018 and will be co-funded by Dementia UK, Sir James Knott Trust and Ballinger Charitable Trust.

The aim of the post is to identify firstly what we do well, not so well and not at all as well as forge links with services specialising in patients with dementia so we can understand what St Oswald's Hospice approach should be.

In addition, we have been undertaking a similar approach with colleagues internally about patients, families and visitors with learning disabilities.

We are very lucky that this work is being led by two expert volunteers and we aim to understand in time with our dementia work what the hospices response to these very complex conditions will be.

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

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

**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.

As in 2016/17, 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. In particular, initial conversations have been held with various housing providers in relation to the development of an independent living model. These conversations and exploration of its feasibility are ongoing.

**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 carers include drop-in sessions, one-to-one support and complementary therapy. We offer 'Sibz' days to children who have a sibling benefiting from our Children and Young Adults Service. We also offer a range of support services to bereaved individuals and families on a one-to-one basis, over the telephone and in groups. For bereaved children aged 5 to 15 whose parent, sibling or other loved one has received care from St Oswald's we hold 'Ozzy Days'.

A key priority for this group was to source new premises for our Family Support Services. In October 2015, the Family Support Services successfully moved into their new premises (the former on-site, however separate, retail outlet). Feedback from staff, volunteers, patients and family members and external partners have been extremely positive regarding the new Family Support Centre.

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

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

Our Family Support Team continues to work in partnership with other organisations.

We continue to support CHUF (Children's Heart Unit Fund) at the Freeman Hospital to provide pre-bereavement support for families and carers of children with chronic heart conditions. In addition, 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, treating patients with cancer-related lymphoedema, patients with oedema as a symptom of their progressive disease and patients with non-cancer related lymphoedema.

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. We are also working closely with Northumberland CCG and Northumbria Trust Tissue Viability Service to develop a joint clinic approach to patients with complex conditions in Northumberland.

**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.

Formalising these alliances would allow us to respond in a timely measured fashion and be in control of workloads and direction of travel.



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

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

The second year of a three and a half year funded project with Macmillan Cancer Support comes to an end in June 2018.

So far this project has resulted in the establishment of a hospice collaboration, with membership comprising of representatives from all ten independent hospices within the region.

The collaboration, now formally named Hospices North East, is reviewing a range of different business models to establish a sustainable future. 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 ten 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. We have been providing education since our inception in 1986 and we currently offer post-graduate training for specialty registrars, GP training, lymphoedema management training and education of third year medical students. We also have an extensive in-house clinical education programme which we have begun to share more widely and market externally.

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.

With regards to the collaborative education project, this year we have focused on the implementation of education throughout the network of independent hospices within the North East. We have now appointed a Regional Clinical Education Nurse, funded by Macmillan Cancer Support.

The collaboration is continuing conversations about what an education/research centre would look like. Representatives from Hospices North East, Northumbria Health Care Trust, Newcastle University and Northumbria University have set up a North East research group to take this piece of work forward. Working alongside other organisations involved in research in the region, the group has been scoping who is engaged in palliative care research in the region and exploring how and why we might work together to develop palliative care research going forward.

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

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

Further work is underway with Northumbria Healthcare NHS Foundation Trust and other providers to explore how we can improve palliative and end of life care services for patients through education and innovation. This piece looks at what patient centred care could look like across all end of life providers and has the support of Health Education England – North.

**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 and as we already facilitate an out-of-hours palliative care co-ordination service to healthcare professionals, we wanted to scope out the value of an out-of-hours palliative care co-ordination service for the Northumberland and Newcastle areas.

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 2018  
(continued)**

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

As a registered charity, we now raise over £7.5 million every year through voluntary giving, our charity shops and legacies. Other income streams include funding from the statutory authorities 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 and corporate fundraisers, face to face 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.

We continue to be well supported by our community, which is evidenced by raising over £4 million gross through fundraising in 17/18 – more than any other year to date and over £615,000 ahead of the overall annual gross target. This is an increase of 14% on last year's figures.

Our Hospice Lottery provides St Oswald's with income through our trading company, St Oswald's Promotions Ltd. All profits from this company are donated to the Hospice. In 2017/18 we raised the cost of our Annual Lottery from £1 to £2 per play to future proof this vital source of income to the Hospice. This is the first increase since the Lottery was founded in 1996 and we have already started to see the benefits. To minimise attrition, our Supporter Care team have worked hard to ensure all our players were well informed of the changes and reasons behind them. We have implemented a donor journey for lottery players to improve retention.

This year, we have continued to roll out our strategy of increasing income from major donors, trusts and legacies, as well as an added focus on maximising income from businesses through our dedicated Business Partnerships team. The Hospice is still reaping the reward of the successful relationships forged through our 2016 art trail Great North Snowdogs, Key Charity of the Year partnerships with organisations such as Intu and Nexus have brought not only financial benefits, but lots of opportunities for the future for the Fundraising teams to take forward.

In February 2018, we announced our follow up art trail, Elmer's Great North Parade. This will take place for ten weeks from August 2019, with plans for over 70 large and 100 small sculptures, and the team have already started conversations with businesses about sponsorship and collaboration.

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

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

**Retail Strategy**

Income received through our retail activity was in excess of £3.2 million achieving a surplus of £761,270.

We operate 26 shops across the North East. Our 'traditional' charity shops sell a wide range of good quality second hand items. We also have a selection of concept stores across the North East including: bookshops, furniture stores and a children's clothing and toy shop. We also have a 'Posh Frocks and Bridal' shop in Whitley Bay selling second hand bridal and occasion wear, a boutique in Jesmond offering designer brands and well known high street names at affordable prices, and our 'Re-styled by St Oswald's' upcycles unwanted items and materials and transforms them into bespoke and vintage pieces of furniture, crafts and homeware.

Additionally, we sell lots of new and second hand goods via our online shop and on our eBay page. Our eBay channel, which sells higher value and collectable items, 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.

Similarly, our House Clearance Service has been the second fastest growing area of our retail sector over the past 12 months and has been highly recommended by various local estate agents and solicitors.

Due to an increase in donated goods, our regional sorting centre moved to bigger premises, located in Benfield Business Park, Walkergate in December. We've also begun piloting new 'pop-up' events where our retail team hosts special one-off events in areas of the region where we don't have a St Oswald's shop, such as our 'Buy the Bag' events held in Cruddas Park Shopping Centre.

Significant work has taken place in preparation of the launch of St Oswald's first ever bus, which after an online competition to find an appropriate title, has been named Ozzie Bus. We look forward to launching our bus in the next financial year and have some exciting proposals to maximise the awareness raising and income generating potential of this project.

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

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

**Marketing strategy**

Our Communications and Marketing team is comprised of a range of roles and the team support every aspect of the Hospice's work including income generation, clinical and corporate services and our Vision 2025.

In 17/18 the team had its most successful year in terms of online engagement, staff engagement via staff surveys and income generation via direct mail appeals which are sent to St Oswald's supporters. The use of powerful patient stories and increased use of cost effective digital media such as video and social advertising has supported this growth and we intend to build upon this success in the next financial year. Supporters donated £40,831.08 to the direct mail appeal in 17/18, compared with £17,663.76 in 16/17. This is a huge increase of 131% in one year.

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 innovative occupational therapy developments as well as building upon the legacy of Great North Snowdogs.

We have gained positive national recognition from our peers in the digital marketing industry because of our first motion graphic annual review. The motion graphic also resulted in an increase in people viewing our annual review, again something which we hope to build upon next year.

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. Our Values and Standards of Behaviour are now embedded and we will work with colleagues to implement our updated people and wellbeing strategies to ensure we have a resilient and happy workforce.

The Communications Team support our Hospice Management Team, wider organisation and partner organisations to progress our Vision 2025 and this will be an area of priority and growth in 2018/19 as the Vision and partner work increases.

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

**STRATEGIC REPORT – Operational objectives**

**Operational Objectives 2018/19**

In addition to the strategic 10-year-plan objectives as identified above, additional operational objectives for the year ahead 2018/19 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.
- Successfully establish the newly commissioned outreach lymphoedema care service for South Tyneside CCG.

**Income Generation**

- Raise over £8million through all our voluntary giving channels.
- Complete the preparation for, and maximise the fundraising opportunities in advance of the launch of Elmer's Great North Parade in 2019.

**People Objectives**

- We will be working with Northumbria University to research how we can develop our values based recruitment in clinical areas.
- We will begin work on developing 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 2018**  
**(continued)**

**STRATEGIC REPORT – FINANCIAL PERFORMANCE**

We try to include as much detailed information as possible within our financial statements to give a clear understanding of the income and expenditure in relation to our different services. In this section we aim to give a deeper understanding of the figures and explain how they relate to our activities.

For the year ended 31 March 2018 we recorded a net surplus, including grants but before accounting for movements in our investments, of £97,358 (2016/17: net loss of £256,319).

Our total incoming resources for the year decreased by 4.7% (2016/17: increase of 15.3%) to £12,575,251. Our total resources expended decreased by 7.2% (2016/17: increase of 10.0%) to £12,477,893.

During 2017/18 we were grateful to receive £740,061 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 we call “general” income and expense.

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

	<u>2017/18</u>	<u>2016/17</u>	<u>Increase/ (Decrease)</u>
General income	11,835,190	12,649,927	(814,737)
General expenditure	(11,528,072)	(12,758,378)	(1,230,306)
Net income / (expenditure) before movement on investments	307,118	(108,451)	415,569

**Incoming Resources**

Our income falls between three main categories, incoming resources from donations & legacies, other trading activities and incoming resources from charitable activities. 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 £1,505,301 (2016/17: £1,103,775) of which £540,241 was restricted (2016/17: £341,480).

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

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

Income from other trading activities has this year raised £5,570,697 (2016/17: £6,318,407). The reason for the decrease is due to the positive impact of the Snowdogs project in 2016/17 only.

St Oswald's Hospice Promotions Limited is our trading subsidiary, and this year a Gift Aid payment of £912,897 has been paid (2016/17: £748,044). The subsidiary's main activity is the Hospice lottery, although last year turnover was boosted by the Snowdogs project.

Investment income, comprising interest and dividends received was £41,267 for the year (2016/17: £55,311).

**Incoming Resources from Charitable Activities**

As in previous years our charitable activities received partial funding from the NHS and local social services. We continue to work locally and nationally to try to improve the levels of funding we receive for each of our charitable services.

We received £199,820 from the Department of Health, under Section 64 of the Health Services and Public Health Act 1968, to support the activities of our Children's Service. We also receive a payment per night for each child or young adult accommodated.

Income for our Adult Day Services is generated by fees for the provision of lymphoedema services for outpatients.

Lymphoedema income for 2017/18 was £1.32 million (2016/17: £1.55million)

**Resources Expended**

The statement of Recommended Practice "Accounting and Reporting by Charities" issued in January 2015 requires us to show how the costs of our support services relate to our direct charitable services. To do this, we have taken the costs of our Human Resources, Corporate Services, Information Systems and Finance departments and allocated them 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 decreased by 5.4% (2016/17 increase of 9.6%). Equivalent costs decreased by 4.1% (2016/17 increased by 13.7%).



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

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

**Costs of Charitable Activities**

Expenditure on our charitable activities, including property costs, depreciation charges and support costs, represents 65.8% of our total expenditure (2016/17: 62.9%). Staff costs remain by far the greatest type of expenditure we incur. Without our dedicated professional staff we could not continue to provide our services.

**Balance Sheet**

Our Balance Sheet at 31 March 2018 shows funds of £14,178,461 (2017: £14,071,144) of which £11,152,123 is represented by fixed tangible and investment assets (2017: £11,568,610). Notes 15 and 16 to the financial statements set out expenditure and other movements relating to fixed assets and fixed asset investments.

**Key Performance Indicators**

	unit of measure	Target	2017/18	2016/17
Value of free reserves	£000's	6,500	4,258	3,735
Expenditure variance from budget	%	<5%	(2%)	(7%)
Retail profit	pence in £	26	24	26
Fundraising expenditure ratio	pence in £	37	24	36
Staff turnover	%	<5%	3.18%	5.45%
Completed staff appraisals	%	100%	98%	100%
Adult inpatient occupancy	%	84%	86%	83%
Children and young adults occupancy	%	85%	87%	92%

**Summary**

Following several years of losses, the Hospice's finances have improved somewhat in 2017/18. This is the result of a cost-cutting initiative whereby all expenditure was carefully considered. Applications to grant-making charitable trusts have also proved very successful. The cash position remains comfortable in the current year, having been under stress in 2016/17 requiring the sale of £500k of the investment portfolio. No investments were sold in 2017/18. Trustees continue to pursue a strategy of income generation and cost cutting to mitigate the risk of uncertain statutory income.

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 2018.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018**  
**(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. In the past, equities that St Oswald's had received as gifts or as part of legacies had been added to the portfolio. Currently receipts of equities are sold for cash as the portfolio is currently at a level considered adequate for the purpose described above.

This year no sales were made from the investment portfolio (2016/17: £500k 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 decrease in the FTSE 100 index over the same period of 3%.

The average return on our cash deposits was 0.3% (2016/17: 0.3%). The Bank of England base rate remained at 0.5% throughout 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. 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 2018  
(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 £11.2 million. Within this broad range, we have a target of £6,500,000, which we consider a reasonable amount to ensure the longer-term viability of the charity.

As at 31 March 2018, our accumulated general funds stood at £7,968,570 (2017: £7,715,076). 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 2018 were £4,258,269 (2017: £3,735,171).

Though free reserves are below our target of £6.5 million, they are above our minimum calculated requirement of £3.2 million. Cost restraint continues, including a modest staff pay rise of 1.25% for the year 2018/2019.

Our five year forecast currently shows a general reserves breakeven position for the year 2018/2019, with replenishment of general reserves taking place from 2020 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. By this means, we expect to see an improvement in our general reserves levels over the coming years.

The Hospice designates certain reserves for specific purposes. Trustees approve a list of designated reserves each year. The total at 31 March 2018 was £124k. 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 2018**  
**(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 2018**  
**(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 P Robson**  
**Chairman**

25 September 2018

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

**FINANCIAL STATEMENTS**

**For the Year Ended**

**31 March 2018**

## **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 2018 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 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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 incorporated 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 Trustees' Report and the incorporated Strategic 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 45, 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**

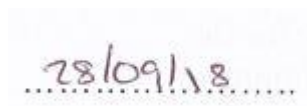
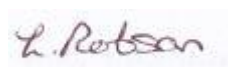
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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



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

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>Income and Expenditure</b>					
<b>Income from:</b>					
Donations and legacies	2	2,379,362	540,241	2,919,603	2,412,421
Other trading activities	3	5,570,697	-	5,570,697	6,318,407
Investments	5	41,267	-	41,267	55,311
Charitable activities	6	3,843,864	199,820	4,043,684	4,405,088
<b>Total income</b>		<b>11,835,190</b>	<b>740,061</b>	<b>12,575,251</b>	<b>13,191,227</b>
<b>Expenditure:</b>					
Raising funds: other trading activities:					
Voluntary Income	7	363,732	-	363,732	444,096
Cost of activities for generating funds	7	3,889,002	-	3,889,002	4,537,419
Investment Management Fees		10,665	-	10,665	8,535
Cost of Charitable Activities	11	7,264,673	949,821	8,214,494	8,457,496
<b>Total Expenditure</b>		<b>11,528,072</b>	<b>949,821</b>	<b>12,477,893</b>	<b>13,447,546</b>
<b>Net income/(expenditure) before movement in investments</b>		<b>307,118</b>	<b>(209,760)</b>	<b>97,358</b>	<b>(256,319)</b>
Gain on investment assets	16	9,959	-	9,959	174,335
<b>Net movement in funds</b>		<b>317,077</b>	<b>(202,060)</b>	<b>107,317</b>	<b>(81,984)</b>
Total funds brought forward					
at 1 April 2017	23	7,841,776	6,229,368	14,071,144	14,153,128
Transfers between funds	23	-	-	-	-
<b>Total funds carried forward</b>					
<b>at 31 March 2018</b>	<b>23</b>	<b>8,158,853</b>	<b>6,019,608</b>	<b>14,178,461</b>	<b>14,071,144</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 55 to 85 form part of these financial statements.

**BALANCE SHEET AS AT 31 MARCH 2018**

**Group/Hospice**

		<b>Group</b>		<b>Hospice</b>	
	<b>Notes</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Fixed Assets</b>					
Tangible assets	15	9,920,192	10,335,973	9,920,192	10,335,973
Investments	16	<u>1,231,931</u>	<u>1,232,637</u>	<u>1,231,933</u>	<u>1,232,639</u>
		<u>11,152,123</u>	<u>11,568,610</u>	<u>11,152,125</u>	<u>11,568,612</u>
<b>Current Assets</b>					
Stocks		45,174	75,284	20,796	25,213
Debtors	17	1,951,833	1,158,692	1,980,180	1,174,678
Cash at bank and in hand		<u>2,280,794</u>	<u>1,883,718</u>	<u>1,978,932</u>	<u>1,708,189</u>
		4,277,801	3,117,694	3,979,908	2,908,080
<b>Creditors:</b>					
<b>Amounts falling due within one year</b>	18	<u>(1,251,463)</u>	<u>(615,160)</u>	<u>(1,143,855)</u>	<u>(532,248)</u>
<b>Net current assets</b>		<u>3,026,338</u>	<u>2,502,534</u>	<u>2,836,053</u>	<u>2,375,832</u>
<b>Total assets less current liabilities</b>		14,178,461	14,071,144	13,988,178	13,944,944
<b>Provisions for liabilities</b>	19	-	-	-	-
<b>Net assets</b>		<u>14,178,461</u>	<u>14,071,144</u>	<u>13,988,178</u>	<u>13,944,444</u>
<b>Funds</b>					
Unrestricted funds:					
General funds	23	7,968,570	7,715,076	7,968,570	7,715,076
Non-Charitable Trading Reserve	23	<u>190,283</u>	<u>126,700</u>	-	-
		8,158,853	7,841,776	7,968,570	7,715,076
Restricted funds	23	<u>6,019,608</u>	<u>6,229,368</u>	<u>6,019,608</u>	<u>6,229,368</u>
<b>Total funds</b>		<u>14,178,461</u>	<u>14,071,144</u>	<u>13,988,178</u>	<u>13,944,444</u>

The net surplus before recognised gains and losses for the unconsolidated entity St Oswald's Hospice Limited was £43,734 (2017: net loss £178,111).

The financial statements of St Oswald's Hospice Limited (registered number 01166239) on pages 51 to 85 were approved by the members of the Board of Trustees on 25<sup>th</sup> September 2018 and signed and authorised for issue on their behalf by:



**M P Robson**  
**Chairman**



**B Hedley**  
**Treasurer**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018**

	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net cash (outflow)/inflow from operating activities		554,045		329,420
<b>Cash flows from investing activities:</b>				
Dividend, interest and rents from investments received	41,267		54,965	
Interest received	-		346	
Purchase of tangible fixed assets	(208,901)		(109,141)	
Proceeds of sale of investments	225,840		1,010,997	
Purchase of investments	(210,611)		(500,147)	
Proceeds from sale of fixed assets	-		6,500	
Net cash (used in)/from investing activities		(152,405)		463,520
Increase/(decrease) in cash held in portfolio		(4,564)		-
<b>Net cash increase</b>		<b>397,076</b>		<b>792,940</b>

**Reconciliation of changes in resources to net cash outflow from operating activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net incoming resources	97,358	(256,319)
Depreciation	621,498	597,927
Investment income	(41,267)	(55,311)
Loss on sale of Fixed Assets	3,184	-
Decrease/(Increase) in stocks	30,110	(23,276)
(Increase)/Decrease in debtors	(793,141)	586,949
Increase/(Decrease) in creditors	636,303	(466,650)
(Decrease) in provisions	-	(53,900)
	<b>554,045</b>	<b>329,420</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Increase in cash in the year	<u>397,076</u>	<u>792,940</u>
Movement in net funds in the year	397,076	792,940
Net funds at 1 April 2017	<u>1,883,718</u>	<u>1,090,778</u>
<b>Net funds at 31 March 2018</b>	<u>2,280,794</u>	<u>1,883,718</u>

	<b>Opening net funds 1/4/17</b>	<b>Cash Flow</b>	<b>Closing net funds 31/03/18</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>1,883,718</u>	<u>397,076</u>	<u>2,280,794</u>
	1,883,718	397,076	2,280,794

## **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 40 to 42.

## **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.



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

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

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

### **(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.

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

### **(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.

### **(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 basis 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.

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

### **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 2018	Total 2017
	£	£	£	£
Donations	965,060	540,241	1,505,301	1,103,775
Legacies	1,414,302	0	1,414,302	1,308,646
<b>Total</b>	<b>2,379,362</b>	<b>540,241</b>	<b>2,919,603</b>	<b>2,412,421</b>
<b>2017 Total</b>	<b>2,070,941</b>	<b>341,480</b>	<b>2,412,421</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 2018	Total 2017
	£	£	£	£
Special events	874,832	-	874,832	1,174,321
Sale of donated goods	3,037,334	-	3,037,334	3,211,418
Catering sales	34,358	-	34,358	49,558
Trading subsidiary income (Note 4)	1,624,173	-	1,624,173	1,883,110
<b>Total incoming resources from other trading activities</b>	<b>5,570,697</b>	<b>-</b>	<b>5,570,697</b>	<b>6,318,407</b>

Income from the sale of donated goods has slightly decreased in comparison to the previous year, partly due to some shops not being fully staffed throughout the year.

Income from special events has decreased compared to the prior year because the 2016/17 figures include auction proceeds from the Snowdogs Project, which was a one off event.

The income from Other Trading activities in 2018 and 2017 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 2018</b>	<b>Total 2017</b>
	<b>£</b>	<b>£</b>
Turnover	1,624,173	1,883,110
Cost of sales	<u>(400,637)</u>	<u>(773,361)</u>
Gross profit	1,223,536	1,109,749
Administrative expenses	<u>(247,056)</u>	<u>(265,572)</u>
Operating profit	976,480	844,177
Interest receivable	-	-
Profit on ordinary activities	<u><b>976,480</b></u>	<u><b>844,177</b></u>

The net assets of the subsidiary at 31 March 2018 amounted to £190,285 (2017: £126,702).

### 5. INVESTMENTS

	<b>Total 2018</b>	<b>Total 2017</b>
	<b>£</b>	<b>£</b>
Dividends received	40,740	54,965
Interest received - charity	527	346
	<u><b>41,267</b></u>	<u><b>55,311</b></u>

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 2018 and 2017 all related to unrestricted funds.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 6. CHARITABLE ACTIVITIES

	General funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Public Authority contributions:				
Adult inpatient services	1,673,554	-	1,673,554	1,677,274
Adult day care services	1,315,883	-	1,315,883	1,552,023
Children & Young Adults' services	695,429	199,820	895,249	989,978
Medical outreach	82,196	-	82,196	114,269
Educational activities	22,735	-	22,735	17,808
Other professional income	54,067	-	54,067	53,736
<b>Total</b>	<b>3,843,864</b>	<b>199,820</b>	<b>4,043,684</b>	<b>4,405,088</b>
<b>2017 Total</b>	<b>4,205,268</b>	<b>199,820</b>	<b>4,405,088</b>	

Within the restricted income shown above for both 2018 and 2017 is a grant of £199,820 received from the Department of Health.

### 7. Raising funds: Other trading activity

	Direct Activity	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Costs relating to donations & legacies	363,732	-	363,732	444,096
Event costs	502,926	-	502,926	631,821
Sale of donated goods	2,633,693	-	2,633,693	2,745,819
Catering and other sales	104,692	-	104,692	120,846
Costs of trading subsidiary (Note 4)	647,691	-	647,691	1,038,933
Investment management fees	10,665	-	10,665	8,535
<b>Total</b>	<b>4,263,399</b>	<b>-</b>	<b>4,263,399</b>	<b>4,990,050</b>
<b>2017 Total</b>	<b>4,990,050</b>	<b>-</b>	<b>4,990,050</b>	

### 8. COSTS OF CHARITABLE ACTIVITIES

	General funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Adult inpatient services	2,811,075	190,579	3,001,654	2,801,623
Adult day care services	2,191,258	146,028	2,337,286	2,625,353
Children & Young Adults' services	1,592,563	402,543	1,995,106	2,113,482
Bereavement Centre	102,153	-	102,153	73,930
Medical outreach	13,585	-	13,585	133,365
Strategic projects (Incl Macmillan)	1,420	206,058	207,478	134,339
Education activities	130,381	4,613	134,994	122,882
Governance costs	422,238	-	422,238	452,523
<b>Total costs of charitable activities</b>	<b>7,264,673</b>	<b>949,821</b>	<b>8,214,494</b>	<b>8,457,496</b>
<b>2017 Total</b>	<b>7,768,328</b>	<b>689,168</b>	<b>8,457,496</b>	

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Net incoming resources before recognised gains and losses are stated after charging:

	Group	Hospice	Group	Hospice
	2018	2018	2017	2017
	£	£	£	£
Depreciation	621,498	621,498	597,927	597,927
Audit fees	15,000	12,750	14,000	12,000
Other auditors' remuneration	750	0	750	-
Operating lease charges (land & buildings)	492,235	492,235	481,934	481,934
Pension costs	466,929	455,804	486,098	477,491
Loss on disposal fixed assets	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>Voluntary Income</b>	4,921	11,707	13,071	16,516	46,215
<b>Cost of activities for generating funds:</b>					
Event costs	6,804	16,188	18,073	22,837	63,902
Sale of donated goods	29,651	70,542	78,759	99,517	278,469
Catering and other services	3,477	8,271	9,235	11,669	32,652
	39,932	95,001	106,067	134,023	375,023
<b>Charitable activities</b>					
Adult inpatient services	18,095	43,050	48,065	60,734	169,944
Adult day services	9,496	22,592	25,224	31,873	89,185
Children's services	18,777	44,672	49,876	63,021	176,346
Medical outreach	2,581	6,140	6,855	8,662	24,238
Educational activities	1,057	2,515	2,808	3,548	9,928
Bereavement Centre	1,401	3,333	3,722	4,702	13,158
Strategic projects (Incl Macmillan)	1,690	4,020	4,488	5,671	15,869
Governance	2,988	7,108	7,936	10,028	28,060
	56,085	133,430	148,974	188,239	526,728
<b>Total allocated support costs</b>	<b>100,938</b>	<b>240,138</b>	<b>268,112</b>	<b>338,778</b>	<b>947,966</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Direct Activity Costs	Support Costs (Note 10)	Depreciation	Total 2018	Total 2017
	£	£	£	£	£
<b>Voluntary</b>	<b>311,571</b>	<b>46,215</b>	<b>5,946</b>	<b>363,732</b>	<b>444,096</b>
<b>Cost of activities for generating funds:</b>					
Event costs	439,024	63,902	-	502,926	631,822
Sale of donated goods	2,195,486	278,469	159,738	2,633,693	2,745,819
Catering and other sales	67,588	32,652	4,450	104,690	120,846
Costs of trading subsidiary (Note 4)	647,693	-	-	647,693	1,038,933
	3,349,791	375,023	164,188	3,889,002	4,537,419
Investment management fees	10,665	-	-	10,665	8,535
<b>Total cost of activities for generating funds</b>	<b>3,360,456</b>	<b>375,023</b>	<b>164,188</b>	<b>3,899,667</b>	<b>4,545,955</b>
<b>Charitable activities:</b>					
<b>Provision of hospice services:</b>					
Adult inpatient services	2,678,064	169,944	153,646	3,001,654	2,801,623
Adult day services	2,117,512	89,185	130,589	2,337,286	2,625,353
Children's services	1,712,131	176,346	106,629	1,995,106	2,113,482
Bereavement Centre	77,775	24,238	140	102,153	73,930
Medical outreach	3,657	9,928	-	13,585	133,365
Strategic projects (Incl Macmillan)	194,320	13,158	-	207,478	134,339
Educational activities	119,125	15,869	-	134,994	122,882
	<b>6,902,584</b>	<b>498,668</b>	<b>391,004</b>	<b>7,792,256</b>	<b>8,004,973</b>
Governance costs	394,178	28,060	-	422,238	452,523
<b>Total</b>	<b>10,968,789</b>	<b>947,966</b>	<b>561,138</b>	<b>12,477,893</b>	<b>13,447,546</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 (2017: £Nil).

The amount of expenses reimbursed to Trustees during the year was £Nil (2017: £Nil).



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13. STAFF COSTS - GROUP

	2018	2017
	£	£
Wages and salaries	6,811,526	7,337,509
Social security costs	588,245	617,537
Pension costs	466,929	486,098
Staff costs	<u>7,866,700</u>	<u>8,441,144</u>

There were four employees during the year (2017: five) whose emoluments amounted to over £60,000. Of these employees, three (2017: three) were consultants or senior medical staff, including the highest paid member of staff in each year. These staff can be analysed as follows:

	2018 Number	2017 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	2	2
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
£110,001 - £120,000	-	-
£120,001 - £130,000	-	1

Pension contributions made in respect of those staff classified as higher paid employees were £34,126 (2017: £77,989) in aggregate. Of these staff none were accruing benefits under a defined contribution scheme (2017: none) and five were accruing benefits under a defined benefit scheme (2017: five).

	2018 Number	2018 Whole time Equivalent Number	2017 Number	2017 Whole time Equivalent Number
<b>Staff breakdown:</b>				
Direct charitable services	196	152	199	157
Support services	27	21	28	22
Management and administration	7	6	7	6
Fundraising and publicity	30	24	30	26
Trading activities (including subsidiary)	77	67	70	66
	<u>337</u>	<u>270</u>	<u>334</u>	<u>277</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 £441,223 (2017: £478,812).

The key management personnel of the charity comprise the Trustees and Hospice Management Team listed on page 6 of this report

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

Mr J R Ellam

Mrs HA Eadington

Miss J Gregory (until March 2018)

Mrs A Ball

Mrs K MacLaren (from March 2018)

#### **Pension**

The liabilities of the Federated Flexiplan No.1 were matched in full by its assets during the year ended 31 March 2018. No further sums are payable to the scheme by St Oswald's Hospice Ltd, and as such the liability was released in the prior year (amounting to £53,900).

### **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 (2017: £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 2017	10,937,821	1,053,199	34,048	2,612,434	14,637,503
Disposals	-	(46,218)	-	(8,318)	(54,536)
Additions	-	17,871	-	191,030	208,901
<b>31 March 2018</b>	<b><u>10,937,821</u></b>	<b><u>1,024,852</u></b>	<b><u>34,048</u></b>	<b><u>2,795,147</u></b>	<b><u>14,791,868</u></b>
<b>Depreciation</b>					
1 April 2017	2,330,579	675,157	28,660	1,267,134	4,301,530
Disposals	-	(46,218)	-	(5,133)	(51,352)
Charge for the year	176,091	156,959	5,388	283,060	621,498
<b>31 March 2018</b>	<b><u>2,506,670</u></b>	<b><u>785,898</u></b>	<b><u>34,048</u></b>	<b><u>1,545,060</u></b>	<b><u>4,871,676</u></b>
<b>Net book value:</b>					
<b>31 March 2018</b>	<b><u>8,431,151</u></b>	<b><u>238,954</u></b>	<b><u>-</u></b>	<b><u>1,250,087</u></b>	<b><u>9,920,192</u></b>
<b>31 March 2017</b>	<b><u>8,607,242</u></b>	<b><u>378,042</u></b>	<b><u>5,388</u></b>	<b><u>1,345,301</u></b>	<b><u>10,335,973</u></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 2017	10,937,821	1,053,199	34,048	2,603,935	14,629,003
Disposals	-	(46,218)	-	(8,318)	(54,536)
Additions	-	17,871	-	191,030	208,901
<b>31 March 2018</b>	<b><u>10,937,821</u></b>	<b><u>1,024,852</u></b>	<b><u>34,048</u></b>	<b><u>2,786,647</u></b>	<b><u>14,783,368</u></b>
<b>Depreciation</b>					
1 April 2015	2,332,702	675,157	28,660	1,256,510	4,293,030
Disposals	0	(46,218)	0	(5,133)	(51,352)
Charge for the year	176,091	156,959	5,388	283,060	621,498
<b>31 March 2018</b>	<b><u>2,508,793</u></b>	<b><u>785,898</u></b>	<b><u>34,048</u></b>	<b><u>1,534,437</u></b>	<b><u>4,863,176</u></b>
<b>Net book value:</b>					
<b>31 March 2018</b>	<b><u>8,429,028</u></b>	<b><u>238,954</u></b>	<b><u>-</u></b>	<b><u>1,252,210</u></b>	<b><u>9,920,192</u></b>
<b>31 March 2017</b>	<b><u>8,605,117</u></b>	<b><u>378,042</u></b>	<b><u>5,388</u></b>	<b><u>1,347,425</u></b>	<b><u>10,335,973</u></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 2017	1,169,533	-	1,169,533	1,169,533	2	1,169,535
Additions	210,611	-	210,611	210,611	-	210,611
Disposals	(225,840)	-	(225,840)	(225,840)	-	(225,840)
Net investment gain	9,959	-	9,959	9,959	-	9,959
<b>Value at 31 March 2018</b>	<b>1,164,263</b>	<b>-</b>	<b>1,164,263</b>	<b>1,164,263</b>	<b>2</b>	<b>1,164,265</b>
<b>Cash and time deposits held in portfolio</b>						
At 1 April 2017	63,104	-	63,104	63,104	-	63,104
Movements in cash	4,564	-	4,564	4,564	-	4,564
<b>At 31 March 2018</b>	<b>67,668</b>	<b>-</b>	<b>67,668</b>	<b>67,668</b>	<b>2</b>	<b>67,668</b>
<b>31 March 2018</b>	<b>1,231,931</b>	<b>-</b>	<b>1,231,931</b>	<b>1,231,931</b>	<b>-</b>	<b>1,231,933</b>
31 March 2017	1,232,637	-	1,232,637	1,232,637	2	1,232,639

All of the investments are unrestricted.

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

			Group	
	%	£	2018	2017
	%		%	%
UK fixed interest	32.2	396,930	32.2	32.5
UK equities	48.3	594,813	48.3	48.3
Overseas equities	14.0	172,520	14.0	14.1
Alternative investments	-	-	-	-
Cash	5.5	67,668	5.5	5.1
			100.0	100.0
			Group	
			2018	2017
			£	£
Historical cost of listed investments at 31 March			626,445	619,578

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>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts owed by subsidiary undertaking	-	-	34,598	36,440
Trade debtors	529,185	262,365	528,037	255,239
Prepayments	270,235	220,586	265,132	220,087
VAT Debtor	71,309	12,829	71,309	-
Accrued income	<u>1,081,104</u>	<u>662,912</u>	<u>1,081,104</u>	<u>662,912</u>
	<u>1,951,833</u>	<u>1,158,692</u>	<u>1,980,180</u>	<u>1,174,678</u>

Accrued income includes legacy income notified but not received at year of £912,504 (2017: £631,410). 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>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	204,210	164,089	201,040	150,272
Amounts owed to subsidiary undertaking		-		28,139
Taxation and social security costs	152,508	95,696	152,508	95,696
Deferred income	580,620	92,979	495,762	-
Other creditors	96,120	88,136	84,105	88,136
Accruals	<u>218,005</u>	<u>174,260</u>	<u>210,440</u>	<u>170,005</u>
	<u>1,251,463</u>	<u>615,160</u>	<u>1,143,855</u>	<u>532,248</u>

Group deferred income in 2018 includes £495,763 relating to grant income received but not recognised as income in the year (2017: £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 Snowdogs in 2017. The movement in group deferred income is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Deferred income brought forward	92,979	242,626
Payments received	1,289,717	949,323
Income recognised	<u>(802,076)</u>	<u>(1,098,970)</u>
Deferred income carried forward	<u>580,620</u>	<u>92,979</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 18.

### 20. FINANCIAL INSTRUMENTS

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

	2018 £	2017 £
<b>FINANCIAL ASSETS</b>		
Debt instruments measured at amortised cost:		
Trade Debtors	529,185	262,365
Accrued Income	1,081,104	662,912
	<hr/>	<hr/>
TOTAL	1,610,289	925,277
	<hr/>	<hr/>
<b>FINANCIAL LIABILITIES</b>		
Measured at amortised cost:		
Trade Creditors	204,210	164,089
Other Creditors	96,120	88,136
Accruals	218,005	174,260
	<hr/>	<hr/>
TOTAL	518,335	426,485
	<hr/>	<hr/>

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

	2018 £	2017 £
<b>FINANCIAL ASSETS</b>		
Debt instruments measured at amortised cost:		
Trade Debtors	528,037	255,239
Group debtors	34,598	36,440
Accrued Income	1,081,104	662,912
	<hr/>	<hr/>
TOTAL	1,643,739	954,591
	<hr/>	<hr/>
<b>FINANCIAL LIABILITIES</b>		
Measured at amortised cost:		
Trade Creditors	201,040	150,272
Group Creditors	-	28,139
Other Creditors	84,105	88,136
Accruals	210,440	170,005
	<hr/>	<hr/>
TOTAL	495,585	436,552
	<hr/>	<hr/>

## 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

At March 2018	General Funds £	Restricted Funds £	Total £
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>

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 2018 were £4,258,269 (2017: £3,735,171).

At March 2017	General Funds £	Restricted Funds £	Total £
Tangible fixed assets	4,106,605	6,229,368	10,335,973
Fixed asset investments	1,232,637	-	1,232,637
Current assets	3,117,694	-	3,117,694
Current liabilities	(615,160)	-	(615,160)
<b>Total net assets</b>	<b>7,841,776</b>	<b>6,229,368</b>	<b>14,071,144</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 23. STATEMENT OF FUNDS - GROUP

	1 April 2017	Income	Expenditure	Transfers	Gift Aid	Gain on investments	31 March 2018
	£	£	£	£	£	£	£
<b>General funds:</b>							
Accumulated funds	<b>7,610,544</b>	10,211,017	(10,837,619)	(62,015)	912,897	9,959	<b>7,844,783</b>
Non-charitable trading reserve	<b>126,700</b>	1,624,173	(647,693)	-	(912,897)		<b>190,283</b>
<b>Designated funds:</b>							-
Young Adults' Service	-	-	-	-	-	-	-
Sundry donations for specific purposes – unrestricted	<b>104,532</b>	-	(42,760)	62,015	-	-	<b>123,787</b>
<b>Total unrestricted funds</b>	<b>7,841,776</b>	11,835,190	(11,528,072)	-	-	9,959	<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)	-	-	-	-
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 – Car Seat	574	-	(574)	-	-	-	-
Family Room Upgrade Fund	-	-	-	19,235	-	-	19,235
The Finn Family Fund	1,776	-	(910)	-	-	-	866



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

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
Hospice Avoidance/EOL Learning programme	-	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 Jennings	-	6,000	-	-	-	-	6,000
Ali Kelly (Coty)	-	15,000	(3,750)	-	-	-	11,250
Andrew Lee	-	1,000	-	-	-	-	1,000
The Legal Education Foundation	-	34,926	(34,926)	-	-	-	-
DB Lowden	-	700	-	-	-	-	700
Macmillan	-	158,840	(158,840)	-	-	-	-
<b><u>Main Kitchen Upgrade Fund:</u></b>							
Anonymous donation	5,550	-	-	(5,500)	-	-	-
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)	-	-	-
Main Kitchen Upgrade Fund	-	-	(1,079)	165,378			164,299
Daisy Marr	-	2,000	(14)	-	-	-	1,986

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NEPAC 1	2,400	-	(2,400)	-	-	-	-
NEPAC 2	-	2,400	(1,290)	-	-	-	1,110
Newcastle & Gateshead CCG	6,638	12,471	-	-	-	-	19,108
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><u>Ward Kitchen Refurbishment Fund:</u></b>							
Mrs Baxter	-	10	(10)	-	-	-	-
C Bradford	-	100	(100)	-	-	-	-
Joseph Strong Frazer Trust	-	1,000	(1,000)	-	-	-	-
Dickon Trust care of Community Foundation 1	-	2,000	(2,000)	-	-	-	-
P Nitz	-	25	(25)	-	-	-	-

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

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	(9,479)	-	-	-	-
Will Charitable Trust	20,000	-	(20,000)	-	-	-	-
Young adults' service restricted fund 1	43,322	-	(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>	740,061	(949,821)	-	-	-	<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>9,959</b>	<b>14,178,461</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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

#### Statement of funds – Group - for the prior year ended 31<sup>st</sup> March 2017

	1 April 2016	Income	Expenditure	Transfers	Gift Aid	Gain on investments	31 March 2017
	£	£	£	£	£	£	£
<b>General funds:</b>							
Accumulated funds	7,613,019	10,726,080	(11,650,934)	-	748,044	174,335	7,610,544
Non-charitable trading reserve	30,567	1,883,110	(1,038,933)	-	(748,044)		126,700
<b>Designated funds:</b>							
Young Adults' Service	-	-	-	-	-	-	-
Sundry donations for specific purposes - unrestricted	132,306	40,737	(68,511)	-	-	-	104,532
<b>Total unrestricted funds</b>	<b>7,775,892</b>	<b>12,649,927</b>	<b>(12,758,378)</b>	<b>-</b>	<b>-</b>	<b>174,335</b>	<b>7,841,776</b>
<b>Restricted funds:</b>							
Adult inpatients' unit refurbishment fund	223,410	-	(54,518)	-	-	-	168,892
Aidan Army	709	-	(135)	-	-	-	574
Anonymous donation	5,550	-	-	-	-	-	5,550
Catherine Cookson Trust	-	20,000	-	-	-	-	20,000
chART - Children's Story Book	-	229	(229)	-	-	-	-
chART Children's Hospice Arts	5,000	-	(5,000)	-	-	-	-
Children's service building fund	2,443,851	-	(79,975)	-	-	-	2,363,876
Coleman fund	234,102	-	(4,613)	-	-	-	229,489
Day hospice building fund	512,541	-	(16,450)	-	-	-	496,091
Day services building	1,677,498	-	(38,126)	-	-	-	1,639,372
Department of Health Children's Hospice Grant	-	199,820	(199,820)	-	-	-	-
Dickon Trust care of Community Foundation 1	2,000	-	(2,000)	-	-	-	-
Dickon Trust care of Community Foundation 2	-	2,000	-	-	-	-	2,000

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Durham Fire Station	2,170	1,000	(2,240)	-	-	-	930
DWF Charitable Foundation - Car Seat	-	2,814	(2,240)	-	-	-	574
ENGIE - Christmas Presents & Party	-	1,000	(1,000)	-	-	-	-
Family Assurance	-	2,440	(2,440)	-	-	-	-
Franciscan Community Chapel	-	300	-	-	-	-	300
Garfield Weston	-	10,000	-	-	-	-	10,000
Gosforth Lodge	-	1,000	-	-	-	-	1,000
Guyll Leng Charitable Trust 1	-	2,000	-	-	-	-	2,000
Guyll Leng Charitable Trust 2	2,000	-	(2,000)	-	-	-	-
Hadrian Trust	1,000	-	(1,000)	-	-	-	-
Hospice Building fund	789,753	-	(28,642)	-	-	-	761,111
In memory of Matty Millar	1,055	-	(1,055)	-	-	-	-
Information centre	93,226	-	(5,078)	-	-	-	88,148
J Chapman	-	5,580	(3,327)	-	-	-	2,253
JGW Patterson	-	28,915	-	-	-	-	28,915
Joseph Strong Frazer Trust	1,000	-	(1,000)	-	-	-	-
Mark Benevolent Fund	-	107,628	(45,115)	-	-	-	62,513
Mel Weir Charitable	-	2,500	(2,500)	-	-	-	-
Mr & Mrs Cape	-	100	-	-	-	-	100
Natalie Warne (Cundall)	-	281	-	-	-	-	281
NEPAC 1	-	2,400	(1,290)	-	-	-	1,110
NEPAC 2	2,400	-	(2,400)	-	-	-	-
Newcastle & Gateshead CCG	-	6,638	-	-	-	-	6,638
P&G Fund at The Community Foundation	4,659	-	(4,659)	-	-	-	-
Pickard - Sound System	-	450	-	-	-	-	450
R Glaholm	950	-	-	-	-	-	950
Rods and Cods	605	-	-	-	-	-	605
Rotaract	-	1,237	-	-	-	-	1,237
Rothley Trust	-	14,963	(12,300)	-	-	-	2,663

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Seahouses & District Cancer Research Relief Fund	-	2,400	(2,400)	-	-	-	-
Sir James Knott Trust	-	5,000	-	-	-	-	5,000
Springfield House (Reece) Trust	20,300	-	(20,300)	-	-	-	-
St Michaels Healing at Home Trust	-	3,000	(3,000)	-	-	-	-
The Finn Family Fund	-	2,000	(224)	-	-	-	1,776
The Order of the Red Cross of Constantine	-	1,000	-	-	-	-	1,000
The Ridley Family Charity	-	4,645	(4,645)	-	-	-	-
The Shears Foundation	45,833	50,000	(58,333)	-	-	-	37,500
The Social Enterprise Investment Fund	222,470	-	(44,706)	-	-	-	177,764
Theresa Smyth	-	100	-	-	-	-	100
Tom & Susan Lovatt	-	100	(100)	-	-	-	-
Transition taskforce	5,000	-	-	-	-	-	5,000
True Colours Trust	6,250	15,000	(13,750)	-	-	-	7,500
Tyne & Wear High Sheriff Award Scheme care of Community Foundation	-	500	-	-	-	-	500
Tyneside Charitable Trust	-	1,500	(1,500)	-	-	-	-
WA Handley Trust	-	2,600	-	-	-	-	2,600
Wallace & Gromit Foundation	-	5,000	(4,120)	-	-	-	880
Will Charitable Trust	-	20,000	-	-	-	-	20,000
William Leech Charity	-	10,000	-	-	-	-	10,000
William Webster Trust	-	5,000	-	-	-	-	5,000
Young adults' service restricted fund 1	56,585	-	(13,263)	-	-	-	43,322
Young adults' service restricted fund 2	15,719	-	(3,203)	-	-	-	12,516
Zurich Community Trust 1	2,000	-	(2,000)	-	-	-	-
Zurich Community Trust 2	-	161	(161)	-	-	-	-
<b>Total restricted funds</b>	<b>6,377,236</b>	<b>541,300</b>	<b>(689,168)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,229,368</b>
<b>Total funds</b>	<b>14,153,128</b>	<b>13,191,227</b>	<b>(13,447,546)</b>	<b>-</b>	<b>-</b>	<b>174,335</b>	<b>14,071,144</b>

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

## **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 given to purchase children's equipment.

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

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

##### **Anonymous Donation towards the kitchen refurbishment**

This donation was made anonymously towards the kitchen project.

##### **J Chapman**

This donation was used to fund a Specialist Mattress Standing Aid for our Adult Inpatient Unit.

##### **chART – Children's Hospice Arts 2**

This money was donated for Children's music sessions.

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

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

##### **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.

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

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

#### **Coleman Fund**

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

#### **Durham Fire Station**

This donation was used to purchase a specialist car seat.

#### **DWF Charitable Foundation**

This donation was given to the Hospice to purchase a specialised children's car seat.

#### **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.

#### **Franciscan Community Chapel**

This donation helped us to purchase a new Sound System for The Hospice Chapel.

#### **R Glaholm**

This amount was donated to purchase new altar cloths for our Chapel.

#### **Gosforth Lodge**

This donation was used to purchase medical trolleys for the Inpatient Unit.

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

This donation was used towards the purchase of a new Canopy for the Children's Garden.



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

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

#### **W A Handley Trust**

This donation was used towards the cost of one year's salary of a chef in our main kitchen.

#### **High Street Group**

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

#### **Hospital avoidance/EOL Learning Programme**

#### **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.

#### **Graeme Jenning**

This money was donated towards the cost of new lighting in our Adult Unit garden.

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

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

#### **Andrew Lee**

This donation was made towards the cost of updating our Adult Inpatient Unit Garden.

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

This money was donated towards the funding of a specialist project to explore the legal issues faced by patients with a life limiting illness.

#### **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.

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

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

#### **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 equipment for our Day Hospice unit.

#### **NEPAC 2**

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

#### **Newcastle & Gateshead CCG**

This money was received to fund a Pharmacist & Technician for The Hospice.

#### **Newcastle United Foundation**

This donation was used toward the purchase of 'worry monsters' for our Children's Unit.

#### **Newcastle upon Tyne NHS Foundation Trust**

This money was donated towards the funding of a specialist project to explore the legal issues faced by patients with a life limiting illness.

#### **One Family Foundation**

This donation was used to help fund the refurbishment of our therapy room.

#### **The Order of the Red Cross of Constantine**

This donation was used to purchase a pulse oximeter for the hospice.

#### **JGW Patterson Foundation**

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

#### **Pickard**

This donation was used to help fund a new Sound System in our Chapel.

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

This donation was used to help fund a key worker at our Morpeth Outreach Clinic.

#### **Rods and Cods**

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

#### **Rotaract**

This money was donated to fund a new light and sound system for a bathroom in our Children's Hospice.

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

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

#### **Rothley Trust 1**

This donation was used to purchase a third new bath for our Children's Hospice.

#### **Rothley Trust 2**

This donation was used to purchase nebulisers for our Children's Hospice.

#### **The Shears Foundation**

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

#### **Smith Family Trust**

This donation was used toward the purchase of 'worry monsters' for our Children's Unit.

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

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

#### **Theresa Smyth**

This donation was given to the Hospice towards the kitchen project.

#### **Transition Taskforce**

This amount was received from Together for Short Lives as a contribution towards the Young Adults' service.

#### **True Colours Trust**

The True Colours Trust grant to the Children's Service towards the cost of the services of a Paediatric Palliative Care Consultant for one day per week.

#### **Tyne & Wear High Sheriff Award Scheme care of Community Foundation 1**

This donation enabled our Family Support Team to buy equipment for children visiting adults on the ward.

#### **Tyne & Wear High Sheriff Award Scheme care of Community Foundation 2**

This donation was used to help fund Social Workers.

#### **Tyneside Charitable Trust**

This grant has funded our Focus on Living Programme within Day Services.

#### **Wallace & Gromit Foundation**

This grant was used towards the purchase of specialist equipment for our Children's Unit.

#### **Ward Kitchen Fund**

This fund was set up towards the cost of the refurbishment of the ward kitchen in our Adult Inpatient Unit.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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

#### Natalie Warne

This donation was used to fund a Secret Garden for our Children's Hospice.

#### Will Charitable Trust

This donation was given to the Hospice towards the cost of new windows in our main kitchen.

### 24. LEASING COMMITMENTS

#### Operating leases

The company's total future minimum lease payments under non-cancellable operating leases at 31 March 2018 relate to short leasehold land and buildings as set out below:

	2018 £	2017 £
<b>Operating leases that expire:</b>		
Within one year	439,877	436,302
Within two to five years	1,095,013	987,245
Over five years	487,930	664,923
	<u>2,022,820</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 (2017: £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 2017) 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 £16,546 in fundraising income from Together for Short Lives.