

## Trustees' Annual Report and Financial Statements for the year ended 31 March 2017



Registered Company Number: 1166239  
Registered Charity Number: 503386

# **TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

# TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017**

### **Welcome to the Annual Report of St Oswald's Hospice Limited for the financial year ended 31 March 2017.**

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 2017. The financial statements comply with the Charities Act 2011, 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 1 January 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.

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

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017**  
**(continued)**

**Message from our Chairman**

Welcome to our Annual Report for 2016 to 2017. This year we celebrated our 30<sup>th</sup> year of providing high quality, specialist care to people living in the North East with incurable conditions.

As a charity, St Oswald's has grown and developed its services over the last thirty years and continuously strives to improve these services for the benefit of local people.

Last year we told you about the implementation of outcome measures (Outcome Assessment and Complexity Collaborative tool or 'OACC') on our Adult Inpatient Unit which helps us to demonstrate that we meet the needs of individual patients and their families. Following the successful implementation of OACC on our Adult Inpatient Unit, we have begun to introduce the outcome measures to our Day Hospice. Also within our adult services, our main complementary therapy room has been updated and transformed in to a relaxing and inviting space, thanks to a grant we received from One Family Foundation, which we won after an online public vote. The Complementary Therapy service provides treatments to over 500 patients and carers every year, who comment that the treatments improve their wellbeing.

To ensure we provide the best possible care to patients and their families, we are committed to recruiting the right people in to the right roles. In 2016 we implemented a new set of 'values' and 'standards of behaviour'. These reflect our culture at St Oswald's and describe how we believe staff and volunteers should behave and treat each other. We have begun to implement these during recruitment and throughout the employment and volunteering cycle. It has been particularly beneficial to better communicate who we are to prospective staff and volunteers as part of our recruitment processes.

Work is ongoing to progress our Vision 2025 strategy which aims to create alliances with other local providers and lead on the development of a North East palliative care education centre have particularly advanced this year. These objectives, which have received Macmillan Cancer Support funding, have involved working closely with independent hospices and other interested and relevant organisations within the region. Taking a lead on this work, all ten independent North East hospice's have agreed to come together to form a Hospice Collaboration North East project group. Further information on these exciting developments is included later in the report.

We continue to be well supported by our community, which is evidenced by raising almost £7.5million through voluntary giving this year – more than any other year to date. This year also saw the launch of our biggest ever fundraising campaign, Great North Snowdogs.

Great North Snowdogs was a mass participation public art trail, which took place across the North East during autumn and winter 2016. The campaign raised £367,500 for our Children and Young Adults Service and over 676,000 people visited the trail over 9 weeks.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

**Message from our Chairman (continued)**

We are hugely thankful to all our supporters, customers, staff, volunteers, trustees, patients and families for making St Oswald's the place that it is. We are eternally grateful for your continued support in all that we do.

**Mike Robson  
Chairman**

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

### **Board of Trustees and Management at 31 March 2017:**

#### **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)  
Dr S Blades (Vice-Chairman)  
Mr B Hedley (Treasurer)

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

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

Mr Ian Kelsall resigned as Trustee and Treasurer on 29th November 2016.  
Mr Andrew Jones retired as a Trustee on 30th November 2016.

Mr Brian Hedley was appointed as Treasurer and Trustee on 24<sup>th</sup> May 2016

#### **The Hospice Management Team who are also the Organisation's key Management Personnel**

Mr J R Ellam	Chief Executive
Miss J Gregory	Finance Director
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 2017 (continued)**

### **Our Professional Advisors at 31 March 2017**

#### **Auditors:**

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

AuditOne  
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  
Aspire, 2<sup>nd</sup> Floor  
2 Infirmary Street  
Leeds  
West Yorkshire  
LS1 2JP

#### **Insurance Advisors:**

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



## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017 (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 Quality and Governance 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 2017**  
**(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 Investment 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 2017**

<b>Audit and Investment</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

<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
Miss J Gregory	Miss D I Heron	Miss D I Heron

Average Trustee attendance at Audit and Investment, Nomination and Remuneration and Clinical Governance Committee meetings during the year stood at 75%, 73% and 88% respectively.

Average Trustee attendance at the bi-monthly Board meetings stands at 80%.

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 2017 (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, Mr Ian Kelsall (Treasurer) and Mr Andrew Jones stood down as Trustees. We are enormously grateful for their time and commitment at St Oswald's, which has enabled us to benefit from their wide ranging skills and expertise.

We are glad to welcome Mr Brian Hedley, Treasurer, to our Board of Trustees and are grateful for the expertise he 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 May 2016, Simon Gordon joined our management team as Director of Strategy and Development. Simon's role is currently funded by Macmillan Cancer Support and focusses largely on the development of St Oswald's Vision 2025, our 10 year vision, with a special emphasis on hospice collaboration and education.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017**  
**(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 the University of Newcastle upon Tyne, University of Northumbria at Newcastle 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. In 2016 we were successful in receiving 12 months 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 a Trustee of Together for Short Lives 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 £16,369 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 2017 (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 objective 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 2017 (continued)**

Last year we introduced a new set of 'values' and 'standards of behaviour' and have begun to implement these during recruitment and 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 early development of plans to further develop retail volunteer recruitment.

The Wellbeing Group continues to meet as part of our wider People Strategy. The group drafted a wellbeing policy which sets out the strategies St Oswald's has in place to support the wellbeing of our staff and volunteer workforce and an action plan of key tasks to continue this work.

The Staff Engagement Group reviews and develops the mechanisms and interventions to support and measure staff and volunteer engagement in terms of how valued, motivated, listened to and supported they feel. This year surveys asked staff for their views on 'my manager' and 'leadership'.

As we are committed to Learning and Development at St Oswald's, new staff and volunteers undertake a comprehensive induction, to embed the underlying values, culture and key principles of working with us. Local induction, as well as on- the-job training is provided, as well as a wide range of formal learning opportunities, such as training sessions and non-formal learning, such as reflective practice.

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. In 2016/17 we delivered 500 education and training activities, with over 4000 attendances. There have been over 70 different topics ranging from Auxiliary Nurse study days to social media awareness.

A new model of appraisal has been introduced and is now embedded, with staff and line managers commenting that they are satisfied with how the new model is working. In addition to this, several nurses have undertaken Revalidation and work to support the nurses through this process has been positively evaluated.

The Link Practitioner Development programme began this year with the development of a handbook, bespoke education sessions on facilitation skills and what the role means as well as adopting a competency framework to help plan future development. There are now 60 Link Practitioner roles across the Hospice covering 29 topics.

This year we have been planning to make changes to the Clinical Education Programme for both Staff Nurses and Auxiliary Nurses.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

The new Staff Nurse programme is designed to allow nurses to receive the same content in a single year, allowing us to deliver education and training priorities in a timely and effective way. The Auxiliary Nurse programme works in a similar way and reflects the topics of the Staff Nurse Study days. The Children and Young Adults Team continue to be supported at their bi-annual study days.

Key achievements in the year include training 47 managers in Values Based Recruitment and Managing Unconscious Bias, and rolling out a training programme on Developing Resilience. In response to absence due to mental health, we have introduced a new training session in 'starting conversations about mental health', to coincide with the national initiatives on mental health awareness.

**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 to 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 2017**  
**(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 appear to be 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 2017  
(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	7.20
Total number of weeks per yr.	52
=	<b>£1.0296 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 2017**  
**(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 has 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: Information Governance & Quality, Infection Control, Water Hygiene, Emergency Planning, Clinical Audit, Nutrition, Resuscitation, Medicines Management, Manual Handling, Clinical Education, Medical Gases, Staff Forum, Palliative Care Advice Line, OACC and Dementia. Both the Clinical Quality Group and RMG report into the Trustees' Clinical Governance and Quality Committee meetings.

Our internal auditor, AuditOne, test our assessment of risks and, where necessary, help to improve our systems of internal control, providing additional support to the Trustees.

**External Bodies**

Our external auditor, RSM (formerly known as Baker Tilly), 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 2017**  
**(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. Internal audit reviews are carried out at regular intervals and the results are reported to the Audit and Investment 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 Investment Committee, which is advised by the Hospice's investment managers, currently UBS.

**Price Risk**

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

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

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

#### **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% (2015/16, 0.4%). 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 2017  
(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 a day hospice, inpatient service, a lymphoedema service, complementary therapy, outreach, 'focus on living' courses, '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**

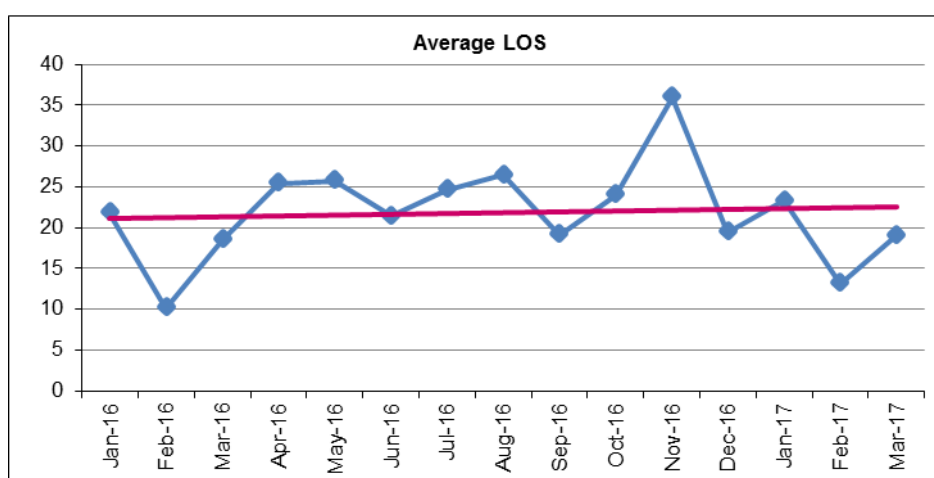
Our inpatient service has fifteen beds and one emergency bed. Our multidisciplinary team works together to: ensure patients with specialist palliative care needs can maximise their quality of living; facilitate a safe and timely patient discharge or transfer to a continuing care service, as well as provide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

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)

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

Last year...

- there were 209 adult inpatient admissions, 102 patient discharges and 106 deaths.
- patients stayed with us for an average stay of 23 days, which is an increase of five days from the previous year.



- 4668 bed-days were occupied during the year, a slight increase on the previous year.
- average bed occupancy was 86%, an increase of 3% from 15/16
- 326 phone calls were received from health care professionals to the palliative care advice line – a service offered in conjunction with Marie Curie Cancer Care.

Following on from the implementation of care rounding, which involves care team staff checking in on patients every one to two hours to make sure that everything is okay, we have introduced 'leadership rounding' as a further measure to ensure our patients' needs are addressed. The process involves Senior Nurses checking in on patients at least twice during their stay to find out if there is anything else they can do to make a patients' stay more comfortable.

Thanks to a grant we received from One Family Foundation, which we won after an online public vote, our main complementary therapy room on our Adult Inpatient Unit has now been transformed into a relaxing and inviting space, and can continue to be a sanctuary for our patients and their carers.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

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

**What families said. . .**

*“Words cannot express how grateful I am for my husband to spend the last weeks in this amazing caring place. You made our stay home from home. We both laughed and cried and have met some truly amazing people who I will never forget.”*

*“It seems at times in life you meet the best people at the lowest point in your lives. You are the best and you should be proud of what you do. Having been coming so long and regularly you have become an extension of our family, and we thank you so much for your care and consideration.”*

*“Your dedication in caring is outstanding. You became my husband’s friends, laughing and joking with him and you made his time here so joyous and happy. Thank you for the support and care you gave to me. I was able to be a loving wife again, not a carer.”*

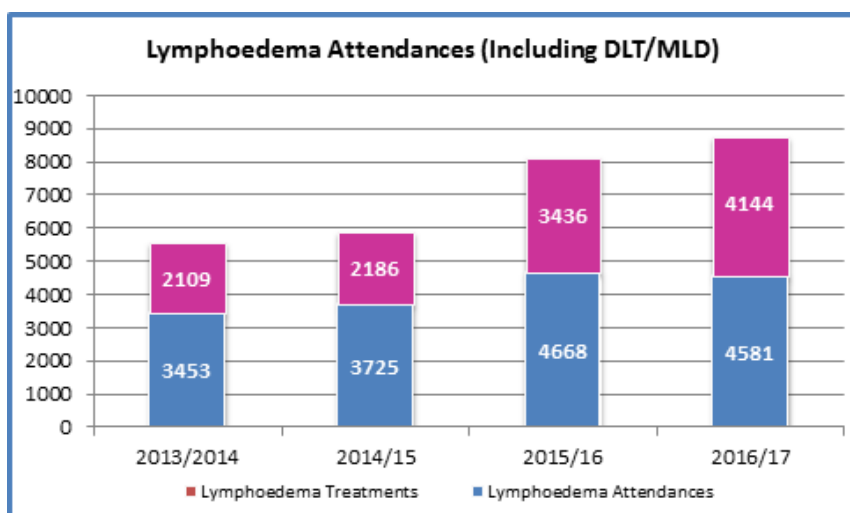
**Adult Day Services**

- Within Day Hospice, we received 166 new referrals, a decrease on last year.
- There was an average of 234 Day Hospice places booked each month, which is 68% of our capacity. Average actual attendance was 67%, which is a decrease of 6% from last year.
- There were 114 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.
- 1,137 Complementary Therapy sessions were provided to Outpatients, Day Hospice patients, inpatients and carers.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017**  
**(continued)**

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

- We received 809 referrals to our Lymphoedema Service, a 3% decrease on last year.
- We now operate outreach services in Shiremoor, Blaydon, Morpeth and South Tyneside.
- There were 4,581 lymphoedema attendances, a slight decrease from last year
- A further 4,144 intensive lymphoedema treatments were also delivered, 1,160 lymphoedema outreach appointments and 147 home visits were provided. These figures have increased from last year, particularly outreach appointments, which have increased by 180%, allowing some patients to access care closer to home.



Following the successful implementation of OACC (Outcome Assessment and Complexity Collaborative Suite of Measures) on the Adult Inpatient Unit, we have begun to introduce OACC to our Day Hospice.

Our craft room continues to be well utilised by patients and carers, with many new activities introduced and a total of 1254 users accessing this service in 2016. As part of the Hospice's 30<sup>th</sup> birthday celebrations we undertook a 16 week project to build a mosaic, led by patients, which is now displayed in the Hospice's Main Reception. We're thankful to TYDFAS (Tyneside Decorative & Fine Arts Society) for the donation to make this happen. Working in partnership with retailer John Lewis, we continued our birthday celebrations by creating knitted envelopes to 'yarn bomb' our local community in Gosforth to say thank you for supporting us over the last 30 years.



**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

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

One of our objectives last year was to increase the number of spoke clinics for our lymphoedema service. In January 2017 we began providing a lymphoedema service on behalf of South Tyneside Clinical Commissioning Group for people living in South Tyneside who have complex lymphoedema. We have been asked to provide this service over a one year period. Development of our lymphoedema service is part of our Vision 2025 10-year strategy, which is detailed later.

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

*"I'm at St Oswald's for about four hours a week and I feel so much fulfilment. I come here and have a laugh and the weight of my illness feels lifted. The Hospice adds love to life – I feel like I come back with a coat of love, and my family say I come home a different person."*

*"I've really benefitted from coming to the Hospice – it's nice to meet other people in a similar situation. I was referred about four months ago by my Macmillan Nurse and I cried. I thought a Hospice was the end but I couldn't have been more wrong. Coming to St Oswald's has really helped with my relaxation, at a time when I've really needed it. I have benefitted from relaxation as I have lung cancer and the sessions have helped my breathing, and it's something I can practice at home too."*

*"Coming to the Hospice since first being referred has 95% improved my wellbeing. I think I've taken part in every Focus on Living class going! Taking part in so many different things has been fantastic and I've made some wonderful friendships."*

**Children and Young Adults Service**

We provide specialist short breaks and end of life care to 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.

- 47 children and their families benefited from our Children's Service.
- A further 12 young adults were cared for at St Oswald's.
- We had 652 admissions, 1,936 bed days were occupied with a 88% occupancy rate.
- The average length of stay is 3 nights per visit.

As with last year, we continue to care for a large number of younger children. More than a quarter of those we care for within the Children & Young Adults Service are six years and under.

We have good relationships with clinicians at Great North Children's Hospital (GNCH) who will be providing on-call cover for the Children and Young Adults short break service from 17/18. This will be provided on a voluntary basis and many of the children and young adults are already known to the team.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

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

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

*"I love having the chance to go out to different places with the young adults group. It's great to spend time with the other service users and also some of the staff who, over the years, have come to feel like best friends to me. Due to some personal troubles I've benefitted massively from coming to St Oswald's. I've become more sociable, I'm happier, I have more friends, and being able to talk to someone outside the family is always helpful. Sometimes, when something has gone wrong in my personal or family life, the staff have always offered their time and support."*

*"The staff at the Hospice are fantastic, I couldn't ask for anymore. They're not just nurses and care support workers, they're people that care and who really understand our kids and understand that they're here to have fun and have a nice time. At the same time their main concern is with their care and welfare. Often we're here after my daughter has been to hospital and she's quite poorly and they're the perfect support in that situation."*

*"Since my son has been coming to St Oswald's, we've been able to do more activities with our other children. Over the years we've missed out on holidays and parties which we could plan and then would have to cancel. The kids have always understood that and accepted it and never complained. So when our son comes here, we like to go and do things with the other children, treat them and take them places. When our son is at home we won't let other people babysit, not because they're not capable but he's our responsibility 100%. When he comes here it gives me and his mam some time."*

**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. The responses are collated, analysed and then reported in to our Clinical Quality Group for action where necessary.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017**  
**(continued)**

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

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.

Further, this year we continue work to achieve two CQUIN (commissioning for quality and innovation) targets; the first against the implementation of the first two measures of the Outcome Assessment and Complexity Collaborative (OACC) in our Day Hospice and Adult Inpatient Unit, and a second implementing the two year Lymphoedema keyworker pathway, looking specifically at improving self-care through education.

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

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

St Oswald's is compliant with the Data Protection Law 1998 and the Privacy and Electronic Communications Regulations 2003 and 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 ensures we 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 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 2016/17, there was no failure to comply with a scheme or standard cited and we did not use any third party services to undertake any direct fundraising.

We have a clear Privacy Policy 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.

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

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

The contribution of fundraising to the organisation's annual income is approximately £4m 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 using "We Transfer" so no data is physically taken off-site for these purposes. Data is then promptly deleted by these third party providers.

During 2016/17, 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 and are not unreasonably persistent or 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 are compliant with the Data Protection Law 1998 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.

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:

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

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

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 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 contact preferences putting donors in the driver's seat with a choice of how they'd prefer to be contacted
- We do not sell customer data to third parties
- We adhere to the Data Protection Act 1998
- 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)

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017**  
**(continued)**

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

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 2017 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 are working to ensure we can prove any consents given in line with the new General Data Protection Regulations. We do not share information with any third parties for marketing purposes and we do not transfer data outside of the EEA.
- 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.

**Strategic objectives**

Workstream groups continue to take forward actions of our Vision 2025 strategy, and we are working towards project plans. The progress of the plans is reviewed by the Board of Trustees and Directors at their bi-monthly meetings.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

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

**To develop expertise in life-limiting conditions**

Within our adult inpatient unit, for a number of years we have operated 15 out of 19 beds available. This has been due to funding constraints and the limits of our existing contract with statutory authorities.

It has been a long-held aim of Trustees and HMT to open our remaining inpatient beds and ensure more local people can access the specialist palliative and end of life care we have on offer.

In addition, after discussions with our consultants and senior nurses, it is clear that we aim to enable people with a wide range of life-limiting conditions to access our services at St Oswald's including those with a non-cancer diagnosis and those who may feel like they are on the periphery of healthcare, due to the uniqueness or complexity of their condition.

To take this action forward, the project group has developed an initial list of chronic health conditions that the Hospice could seek to develop expertise in. To aid in the development of an evidence base and rationale we have approached Newcastle University to assist us in the undertaking of robust research upon which informed decisions can be made.

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

We've 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's doubtful we will be able to fulfil this demand.

As in 2015/16 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 had with various academics and researchers with regard to the development of a suitable research question and robust methodology.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

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

Simultaneously, work has been ongoing with regard to the development of alternative provisions for young adults. In particular initial conversations have been had 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.

Additionally, this year our Family Support Team has been working in partnership with 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. This work will continue in to 17/18.

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

Recognised as a 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.

During 16/17 we continued 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 and Morpeth. Going forward, we're planning to set up more 'spoke' clinics in strategic locations.

In addition to this, the service continues to assist St Clare's Hospice with the development, improvement and implementation of their Lymphoedema provision.



**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

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

The Lymphoedema service has been reconfigured to suit the Clinical Commissioning Group's (CCG) financial settlement for 2017/18. We continue to meet and communicate with local CCG's with a view to securing longer term financial arrangements for our Lymphoedema Service.

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

One of our strategic objectives is to increase the availability of high quality palliative care across the North East by working collaboratively and supporting the work of other providers.

The first year of the Macmillan Cancer Support funded project comes to an end in June 2017 and has achieved the deliverables outlined in the project application. This has resulted in the establishment of a Hospice Collaboration North East group. Membership of the group comprises of representatives from all ten independent hospices within the region.

The group continues to identify for joint working including; Marketing and Communication; Informatics; Human Resources; Fundraising and Income Generation; and Clinical Services. Funding from Macmillan Cancer Support for a second year has been secured which will allow us to continue the identification of priority actions and develop associated delivery plans.

We are continuing to support several regional hospices with "back office" support such as HR, Finance and IT and have provided business development and fundraising expertise and support.

**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.

Working closely with the aforementioned formal alliances workstream, this project has also secured second year funding from Macmillan Cancer Support and also involved partnership working with the independent hospice's within the North East.

The two priorities for this workstream involve: working collaboratively with the other independent Hospice's with regards to education, and looking in to the feasibility of developing an End of Life Research Centre.

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

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

With regards to the collaborative education project, research has identified a number of themes and a working group, which involves representatives from each hospice, has been established to take these forward. The second year of the project will focus on the delivery of a range of education activities plus organisational development focused on service improvement.

A Regional Clinical Education Nurse post, funded by Macmillan Cancer Support, has been created to support the delivery of the project in conjunction with other members of the project team. The collaboration is continuing conversations about what an education centre would look like. Consideration has been given to a 'hub and spoke' model of education, an administrative education centre plus use of hospice facilities. We are also in the process of consulting with potential research stakeholders regarding the feasibility study for a Research Centre.

### **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 in 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 co-ordination service to healthcare professionals.

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

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

As a registered charity, we must now raise over £7 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 and Retail strategies.

#### **Fundraising Strategy**

Our team is comprised of fundraisers with a range of specialisms; face to face fundraisers and our Supporter Care team.

The Fundraising team look to secure ongoing 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 almost £7.5million through voluntary giving in 16/17 – more than any other year to date.

Our lottery provides St Oswald's with income through our trading company, St Oswald's Promotions Ltd. The trading company achieved a profit of £844,177. All profits from this company are donated to the Hospice. This year, we've continued to roll out our strategy of increasing income from major donors, trusts and legacies.

In 2016/17 we launched two new fundraising events – The Lantern Walk and Great North Snowdogs. The Lantern Walk saw hundreds of people gathered together to walk a 5km route as the sun set, carrying lanterns to light the way in memory of their loved ones. Due to the success of its first year, we will be planning a second Lantern Walk for 17/18.

2016 saw the launch of our biggest ever fundraising campaign, Great North Snowdogs. Great North Snowdogs was a mass participation public art trail, which took place across the North East during autumn and winter 2016. The interactive trail featured more than 60 large scale Snowdog sculptures, inspired by the much loved animated short film, The Snowman™ and The Snowdog. The Snowdogs were decorated by artists and sponsored by local businesses. They were sold at an auction to raise funds for the Hospice in December 2016.

A separate trail of almost 100 smaller Snowdogs, created by local school children and community groups was also exhibited.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

**STRATEGIC REPORT – FUNDRAISING AND RETAIL STRATEGY (continued)**

The campaign raised £367,500 for our Children and Young Adults Service and over 676,000 people visited the trail over 9 weeks. The trail was also hugely beneficial to the local economy, with figures showing that Great North Snowdogs contributed £16.55 million to the local North East economy.

**Retail Strategy**

Income received through our retail activity was of £3.5 million achieving a surplus of £911k.

We now operate 28 shops around the region. Our 'traditional' charity shops sell good quality second hand goods. We also have a number of popular concept stores in our portfolio including £1 Clearance, furniture, bookshops and children's wear outlets. We also sell a range of new goods in our shops and online via our website.

This year we've opened further specialist shops in Whitley Bay and Newcastle City Centre, as well as our first shop in Sunderland. Continuing our innovative approach to charity retailing, our Whitley Bay 'Posh Frocks & Bridal' shop is our first dedicated bridal and occasion wear offering. Our Newcastle City Centre 'Re-styled by St Oswald's' boutique offers unique upcycled furniture, crafts and homewares. By upcycling furniture, the shop reduces landfill and maximises income from donations. The creative team also delivers craft-based workshops to those looking to upcycle their skills.

In 2015, we launched our e-commerce operation, selling donated antiques on eBay to raise additional funds for the Hospice. In our first year of trading, our eBay shop had a turnover of £85,000, and £125,000 in second year. The platform continues to grow, selling high value and collectable items.

We are finalising plans for a St Oswald's bus which will go out and about in our community to help raise awareness of our work and generate income through retail and fundraising activities such as 'pop up' shops, onsite workshops and business take over days.

We also offer a paid-for House Clearance Service, which is very popular with estate agents, solicitors and individuals.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017**  
**(continued)**

**STRATEGIC REPORT – Operational objectives**

**Operational Objectives 2017/18**

In addition to the strategic 10-year-plan objectives as identified above, additional operational objectives for the year ahead 2017/18 are as follows:

**Topline**

- Review Vision 2025 priorities for the next two years and strategy to achieve them
- Ensure we maximise income from all sources
- Embed a culture of cost savings and efficiencies

**Care**

- Maintain a high quality service
- Roll out more lymphoedema 'spokes'
- Finalise funding arrangements for our NHS Lymphoedema service from April 2016 onwards
- Continue to develop and roll out bereavement training for children

**Income Generation**

- Raise £8 million through voluntary giving which includes community and events fundraising, legacies, retail, e-commerce, major gifts and corporate support

**People Objectives**

- Continue to embed St Oswald's Values and Standards of Behaviour across the volunteer and staff life cycle.
- To continue to roll out and implement our People Strategy 2015 – 2018 and develop the strategy post 2018

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

**REPORT OF THE MEMBERS OF COUNCIL FOR THE YEAR ENDED  
31 MARCH 2016 (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 2017 we recorded a net loss, including grants but before accounting for movements in our investments, of £256,319 (2015/16 net loss of £778,580).

Our total incoming resources for the year increased by 15.3% (2015/16: increase of 7.8%) to £13,191,227. Our total resources expended increased by 10% (2015/16: increase of 3.6%) to £13,447,546.

During 2016/17 we were grateful to receive £541,300 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.

During 2016/2017 we took advantage of the rise in the value of our investment portfolio to sell £500,000 of our shares as our cash position was under stress.

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

	<u>2016/17</u>	<u>2015/16</u>	<u>Increase/(Decrease)</u>
General income	12,649,927	11,003,639	1,646,288
General expenditure	(12,758,378)	(11,509,844)	(1,248,534)
Net expenditure before movement on investments	(108,451)	(506,205)	397,754

**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.

**REPORT OF THE MEMBERS OF COUNCIL FOR THE YEAR ENDED  
31 MARCH 2016 (continued)**

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

**Incoming Resources from Generated Funds**

Donations and income from regular givers totalled £1,103,775, (2015/16: £1,074,140) of which £341,480 was restricted (2015/16: £235,628).

Income from other trading activities has this year raised £6,318,407 (2015/16: £5,051,145). Much of the increase came from the Snowdogs project.

St Oswald's Hospice Promotions Limited is our trading subsidiary, and this year a Gift Aid payment of £748,044 has been paid (2015/16: £752,159). The subsidiary's main activity is the Hospice lottery though this year turnover was boosted by the Snowdogs project.

Investment income, comprising interest and dividends received was £55,311 for the year (2015/16: £58,556).

**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.

Total income for 2016/17 was £1.54 million (2015/16: £1.3million)

**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.

## **REPORT OF THE MEMBERS OF COUNCIL FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

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

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

Sales of donated goods increased by 9.6%. Equivalent costs increased by 13.7%. The Retail Department assisted with the Snowdogs project during the year, and a proportion of its resources were used on this project rather than within retail.

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

Expenditure on our charitable activities, including property costs, depreciation charges and support costs, represents 62.9% of our total expenditure (2015/16: 60.6%). 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 2017 shows funds of £14,071,144 (2016: £14,153,128) of which £11,568,610 is represented by fixed tangible and investment assets (2016: £12,400,411). 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	2016/17	2015/16
Value of free reserves	£000's	6,500	3,735	3,323
Expenditure variance from budget	%	<5%	(7%)	(6%)
Retail profit	pence in £	31	26	26
Fundraising expenditure ratio	pence in £	48	36	26
Staff turnover	%	<5%	5.45%	1.5%
Completed staff appraisals	%	100%	100%	98%
Adult inpatient occupancy	%	84%	83%	82%
Children and young adults occupancy	%	85%	92%	99%

#### **Summary**

Following two years of substantial losses, the Hospice's finances have started to improve. Amongst other initiatives, the Snowdogs project was very successful, as were our applications to grant-making charitable trusts. As our cash position was under stress during the year, we sold £500k of our investment portfolio. All costs were reviewed, and cost cutting was implemented resulting in a reduction in the overall numbers of non-income generating staff. 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 2017.



## **REPORT OF THE MEMBERS OF COUNCIL FOR THE YEAR ENDED 31 MARCH 2016 (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 we sold £500k of our investment portfolio. 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 seen an increase in value over the year of 13% compared to an increase in the FTSE 100 index over the same period of 19%.

The average return on our cash deposits was 0.3% (2015/16: 0.4%). 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.

## **REPORT OF THE MEMBERS OF COUNCIL FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

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

Our acceptable range of free reserves is reviewed annually by the Audit and Investment Committee and for this year the range is considered to be between £3.1 million and £10.5 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 2017, our accumulated general funds stood at £7,841,776 (2015: £7,775,892). 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 2017 were £3,735,171 (2016: £3,322,554).

Though free reserves are below our target of £6.5 million, they are above our minimum calculated requirement of £3.1 million. Cost restraint continues, including a staff pay rise of nil for the year 2017/2018. The price of our lottery tickets has been doubled to £2 in the year 2017/2018, and early signs indicate that this has been successful, with lottery income ahead of the same period in 2016/2017.

Our five year forecast currently shows a general reserves breakeven position for the year 2017/2018, 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 2017 was £105k. 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.

**REPORT OF THE MEMBERS OF COUNCIL FOR THE YEAR ENDED 31 MARCH 2016 (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.

**REPORT OF THE MEMBERS OF COUNCIL FOR THE YEAR ENDED 31 MARCH 2016 (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**

A handwritten signature in black ink, appearing to read 'M P Robson', written in a cursive style.

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

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

**FINANCIAL STATEMENTS**

**For the Year Ended**

**31 March 2017**

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

### **Opinion on financial statements**

We have audited the financial statements of St Oswald's Hospice Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2017 which comprise the Group Statement of Financial Activities, incorporating the Group Income and Expenditure Account, the Group and Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2017 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.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, 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 its environment obtained in the course of the audit, we have not identified any 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 requires 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.

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

**Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' responsibilities set out on page 41 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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.

*L. Robson*

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

*27/09/17*

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

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds	Restricted funds	Total 2017	Total 2016
Income and Expenditure		£	£	£	£
<b>Incoming Resources</b>					
<b>Incoming Resources from generated funds:</b>					
Donations and legacies	2	2,070,941	341,480	2,412,421	2,562,384
Other trading activities	3	6,318,407	-	6,318,407	5,051,145
Investment	5	55,311	-	55,311	58,556
Charitable activities	6	4,205,268	199,820	4,405,088	3,767,002
<b>Total income</b>		<b>12,649,927</b>	<b>541,300</b>	<b>13,191,227</b>	<b>11,439,087</b>
<b>Expenditure on:</b>					
Raising funds: other trading activities	7	4,990,050	-	4,990,050	4,138,696
Cost of Charitable activities	8, 11	7,768,328	689,168	8,457,496	8,078,971
<b>Total expenditure</b>	11	<b>12,758,378</b>	<b>689,168</b>	<b>13,447,546</b>	<b>12,217,667</b>
Net expenditure before movement in investments		(108,451)	(147,868)	(256,319)	(778,580)
Gain/(loss) on investment assets	16	174,335	-	174,335	(62,547)
<b>Net movement in funds</b>		<b>65,884</b>	<b>(147,868)</b>	<b>(81,984)</b>	<b>(841,127)</b>
Total funds brought forward					
at 1 April 2016	23	7,775,892	6,377,236	14,153,128	14,994,255
Transfers between funds	23	-	-	-	-
<b>Total funds carried forward</b>					
<b>at 31 March 2017</b>	23	<b>7,841,776</b>	<b>6,229,368</b>	<b>14,071,144</b>	<b>14,153,128</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 50 to 79 form part of these financial statements.



**BALANCE SHEET AS AT 31 MARCH 2017**

**Group/Hospice**

		<b>Group</b>		<b>Hospice</b>	
	<b>Notes</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Fixed Assets</b>					
Tangible assets	15	10,335,973	10,830,572	10,335,973	10,830,572
Investments	16	<u>1,232,637</u>	<u>1,569,839</u>	<u>1,232,639</u>	<u>1,569,841</u>
		<u>11,568,610</u>	<u>12,400,411</u>	<u>11,568,612</u>	<u>12,400,413</u>
<b>Current Assets</b>					
Stocks		75,284	52,008	25,213	32,626
Debtors	17	1,158,692	1,745,641	1,174,678	1,702,676
Cash at bank and in hand		<u>1,883,718</u>	<u>1,090,778</u>	<u>1,708,189</u>	<u>853,987</u>
		3,117,694	2,888,427	2,908,080	2,589,289
<b>Creditors:</b>					
<b>Amounts falling due within one year</b>	18	<u>(615,160)</u>	<u>(1,081,810)</u>	<u>(532,248)</u>	<u>(813,243)</u>
<b>Net current assets</b>		<u>2,502,534</u>	<u>1,806,617</u>	<u>2,375,832</u>	<u>1,776,046</u>
<b>Total assets less current liabilities</b>		14,071,144	14,207,028	13,944,444	14,176,459
<b>Provisions for liabilities and charges</b>	19	<u>-</u>	<u>(53,900)</u>	<u>-</u>	<u>(53,900)</u>
<b>Net assets</b>		<u>14,071,144</u>	<u>14,153,128</u>	<u>13,944,444</u>	<u>14,122,559</u>
<b>Funds</b>					
Unrestricted funds:					
General funds	23	7,715,076	7,745,325	7,715,076	7,755,423
Non-Charitable Trading Reserve	23	<u>126,700</u>	<u>30,567</u>	<u>-</u>	<u>-</u>
		7,841,776	7,775,892	7,715,076	7,755,423
Restricted funds	23	<u>6,229,368</u>	<u>6,377,236</u>	<u>6,229,368</u>	<u>6,367,136</u>
<b>Total funds</b>		<u>14,071,144</u>	<u>14,153,128</u>	<u>13,944,444</u>	<u>14,122,559</u>

The net loss before recognised gains and losses for the unconsolidated entity St Oswald's Hospice Limited was £178,111 (2016: £778,124 loss).

The financial statements of St Oswald's Hospice Limited (registered number 01166239) on pages 46 to 79 were approved by the members of Council on 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 2017**

	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net cash inflow/(outflow) from operating activities		329,420		(266,931)
<b>Cash flows from investing activities</b>				
Dividends received	54,965		53,853	
Interest received	346		4,703	
Purchase of tangible fixed assets	(109,141)		(418,470)	
Purchase of investments	(500,147)		(507,107)	
Proceeds of sale of investments	1,010,997		473,634	
Proceeds from sale of fixed assets	6,500		277	
Net cash from/(used in) investing activities		463,520		(393,110)
Increase/(decrease) in cash held in portfolio	-		46,521	
Decrease in short term deposits	-		116,656	
Decrease in long term deposits	-		446,000	
		-		609,177
<b>Net cash increase/(decrease)</b>		<b>792,940</b>		<b>(50,864)</b>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net (outgoing) resources	(256,319)	(778,580)
Depreciation	597,927	555,615
Investment income	(55,311)	(58,556)
(Increase)/decrease in stocks	(23,276)	16,623
Decrease/(Increase) in debtors	586,949	(347,017)
(Decrease)/Increase in creditors	(466,650)	390,318
(Decrease) in provisions	(53,900)	(45,334)
	<b>329,420</b>	<b>(266,931)</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Increase/(Decrease) in cash in the year	792,940	(50,864)
Cash from increase/(decrease) in liquid resources (short term deposits movement)	-	(116,656)
Movement in net funds in the year	792,940	(167,520)
Net funds at 1 April 2016	1,090,778	1,258,298
<b>Net funds at 31 March 2017</b>	<b>1,883,718</b>	<b>1,090,778</b>

<b>Analysis of net funds</b>	<b>Opening net funds 1/4/16</b>	<b>Cash Flow</b>	<b>Closing net funds 31/03/17</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,090,778	792,940	1,883,718
Short term deposits	0	-	-
	<b>1,090,778</b>	<b>792,940</b>	<b>1,883,718</b>

## **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 36 to 38.

## **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 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 due.

### **(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, unless those costs are required to be capitalised as an intangible fixed asset or a tangible fixed asset.

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.

### **(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**

In categorising leases as finance leases or operating leases, management makes judgments as to whether significant risks and rewards of ownership have transferred to the charity as lessees, or the lessee, where the Charity is lessor.

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 2017	Total 2016
	£	£	£	£
Donations	762,295	341,480	1,103,775	1,074,140
Legacies	<u>1,308,646</u>	<u>-</u>	<u>1,308,646</u>	<u>1,488,244</u>
<b>Total</b>	<u>2,070,941</u>	<u>341,480</u>	<u>2,412,421</u>	<u>2,562,384</u>
<b>2016 Total</b>	<u>2,326,756</u>	<u>235,628</u>	<u>2,562,384</u>	

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 2017	Total 2016
	£	£	£	£
Special events	1,174,321	-	1,174,321	754,994
Sale of donated goods	3,211,418	-	3,211,418	2,929,157
Catering sales	49,558	-	49,558	52,541
Trading subsidiary income (Note 4)	<u>1,883,110</u>	<u>-</u>	<u>1,883,110</u>	<u>1,314,453</u>
<b>Total incoming resources from other trading activities</b>	<u><b>6,318,407</b></u>	<u><b>-</b></u>	<u><b>6,318,407</b></u>	<u><b>5,051,145</b></u>

Income from the sale of donated goods has increased in comparison to the previous year because of an increase in the number of shops trading for the full year.

Income from special events has increased compared to the prior year because the auction proceeds from the Snowdogs Project are included in this category.

The income from Other Trading activities in 2017 and 2016 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 2017</b>	<b>Total 2016</b>
	<b>£</b>	<b>£</b>
Turnover	1,883,110	1,314,453
Cost of sales	(773,361)	(411,341)
Gross profit	1,109,749	903,112
Administrative expenses	(265,572)	(213,958)
Operating profit	844,177	689,154
Interest receivable	-	-
Profit on ordinary activities	844,177	689,154

The net assets of the subsidiary at 31 March 2017 amounted to £126,702 (2016: £30,569).

### 5. INVESTMENTS

	<b>Total 2017</b>	<b>Total 2016</b>
	<b>£</b>	<b>£</b>
Dividends received	54,965	53,853
Interest received - charity	346	4,703
	55,311	58,556

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 2016 and 2017 all related to unrestricted funds.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 6. CHARITABLE ACTIVITIES

	General funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Public Authority contributions:				
Adult inpatient services	1,677,274	-	1,677,274	1,380,753
Adult day care services	1,552,023	-	1,552,023	1,296,213
Children & Young Adults' services	790,158	199,820	989,978	883,904
Medical outreach	114,269	-	114,269	114,184
Educational activities	17,808	-	17,808	29,265
Other professional income	53,736	-	53,736	62,683
<b>Total</b>	<b>4,205,268</b>	<b>199,820</b>	<b>4,405,088</b>	<b>3,767,002</b>
<b>2016 Total</b>	<b>3,567,182</b>	<b>199,820</b>	<b>3,767,002</b>	

Within the restricted income shown above for both 2017 and 2016 is a grant of £199,820 received from the Department of Health. We have also received grants totalling £214,343 towards our kitchen refurbishment project.

### 7. Raising funds: Other trading activity

	Direct Activity	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Costs relating to donations & legacies	444,096	-	444,096	507,751
Event costs	631,821	-	631,821	433,520
Sale of donated goods	2,745,819	-	2,745,819	2,413,846
Catering and other sales	120,846	-	120,846	145,826
Costs of trading subsidiary (Note 4)	1,038,933	-	1,038,933	625,299
Investment management fees	8,535	-	8,535	12,454
<b>Total</b>	<b>4,990,050</b>		<b>4,990,050</b>	<b>4,138,696</b>
<b>2016 Total</b>	<b>4,138,696</b>	<b>-</b>	<b>4,138,696</b>	

### 8. COSTS OF CHARITABLE ACTIVITIES

	General funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Adult inpatient services	2,636,579	165,044	2,801,623	2,888,099
Adult day care services	2,504,667	120,686	2,625,353	2,410,434
Children & Young Adults' services	1,714,657	398,825	2,113,482	1,998,012
Bereavement Centre	73,930	-	73,930	-
Medical outreach	133,365	-	133,365	112,723
McMillan project	134,339	-	134,339	-
Education activities	118,269	4,613	122,882	202,361
Governance costs	452,523	-	452,523	467,342
<b>Total costs of charitable activities</b>	<b>7,768,328</b>	<b>689,168</b>	<b>8,457,496</b>	<b>8,078,971</b>
<b>2016 Total</b>	<b>7,371,148</b>	<b>707,823</b>	<b>8,078,971</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 2017 £	Hospice 2017 £	Group 2016 £	Hospice 2016 £
Depreciation	597,927	597,927	555,615	553,490
Audit fees	14,000	12,000	14,500	13,250
Other auditors' remuneration	750	-	750	-
Operating lease charges (land & buildings)	481,934	481,934	439,900	439,900
Pension costs	486,098	477,491	445,355	436,440

### 10. ANALYSIS OF SUPPORT COSTS

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

	Human Resources £	Information Systems £	Finance £	Corporate Services £	Total Allocation (Note 11) £
<b>Donations and legacies</b>	<b>5,239</b>	<b>10,892</b>	<b>13,722</b>	<b>21,072</b>	<b>50,925</b>
<b>Raising funds:</b>					
<b>Commercial trading activities</b>					
Event costs	7,453	15,497	19,522	29,980	72,452
Sale of donated goods	27,367	56,901	71,683	110,080	266,031
Catering and other services	3,173	6,597	8,311	12,763	30,844
	<b>37,993</b>	<b>78,995</b>	<b>99,516</b>	<b>152,823</b>	<b>369,327</b>
<b>Charitable activities</b>					
Adult inpatient services	17,055	35,460	44,672	68,601	165,787
Adult day services	11,899	24,739	31,167	47,861	115,666
Children's services	18,642	38,758	48,828	74,982	181,209
Medical outreach	793	1,649	2,078	3,191	7,711
Educational activities	1,190	2,474	3,117	4,786	11,567
Bereavement Centre	1,587	3,299	4,156	6,381	15,422
Macmillan Project	1,190	2,474	3,117	4,786	11,567
Governance	2,776	5,773	7,272	11,168	26,989
<b>Total allocated support costs</b>	<b>98,364</b>	<b>204,512</b>	<b>257,643</b>	<b>395,650</b>	<b>956,169</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Direct Activity Costs £	Support Costs (Note 10) £	Depreciation £	Total 2017 £	Total 2016 £
<b>Voluntary</b>	<b>387,094</b>	<b>50,925</b>	<b>6,077</b>	<b>444,096</b>	<b>507,751</b>
<b>Raising funds: other trading activities</b>					
Event costs	559,370	72,452	-	631,822	433,520
Sale of donated goods	2,343,514	266,031	136,274	2,745,819	2,413,846
Catering and other sales	89,641	30,844	360	120,846	145,826
Costs of trading subsidiary (Note 4)	1,038,933	-	-	1,038,933	625,299
	4,031,458	369,327	136,634	4,537,419	3,618,491
Investment management fees	8,535	-	-	8,535	12,454
<b>Total raising funds: other trading activities</b>	<b>4,039,993</b>	<b>369,327</b>	<b>136,634</b>	<b>4,545,955</b>	<b>3,630,945</b>
<b>Charitable activities:</b>					
<b>Provision of hospice services:</b>					
Adult inpatient services	2,485,404	165,787	150,432	2,801,623	2,888,099
Adult day services	2,379,351	115,666	130,336	2,625,353	2,410,434
Children's services	1,830,965	181,209	101,308	2,113,482	1,998,012
Bereavement Centre	58,508	15,422	-	73,930	-
Medical outreach	125,125	7,711	529	133,365	112,723
Macmillan project	122,772	11,567	-	134,339	-
Educational activities	106,702	11,567	4,613	122,882	202,361
	<b>7,108,826</b>	<b>508,929</b>	<b>387,218</b>	<b>8,004,973</b>	<b>7,611,629</b>
Governance costs	425,534	26,989	-	452,523	467,342
<b>Total</b>	<b>11,961,448</b>	<b>956,169</b>	<b>529,929</b>	<b>13,447,546</b>	<b>12,217,667</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 (2016: £ Nil).

The amount of expenses reimbursed to Trustees during the year was £ Nil (2016: £Nil).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13. STAFF COSTS - GROUP

	2017	2016
	£	£
Wages and salaries	7,337,509	6,891,355
Social security costs	617,537	536,304
Pension costs	486,098	445,355
Staff costs	<u>8,441,144</u>	<u>7,873,014</u>

There were five employees during the year (2016: four) whose emoluments as defined for taxation purposes amounted to over £60,000. Of these employees, four (2016: three) were consultants or senior medical staff, including the highest paid member of staff in each year. These staff can be analysed as follows:

	2017 Number	2016 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	2	2
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
£111,000 - £120,000	-	-
£120,001 - £130,000	1	1

Pension contributions made in respect of those staff classified as higher paid employees were £77,989 (2016: £52,768) in aggregate. Of these staff none were accruing benefits under a defined contribution scheme (2016: none) and five were accruing benefits under a defined benefit scheme (2016: four).

	2017 Number	2017 Whole time Equivalent Number	2016 Number	2016 Whole time Equivalent Number
<b>Staff breakdown:</b>				
Direct charitable services	199	157	196	155
Support services	28	22	32	28
Management and administration	7	6	8	6
Fundraising and publicity	30	26	30	29
Trading activities (including subsidiary)	70	66	73	56
	<u>334</u>	<u>277</u>	<u>339</u>	<u>274</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 £478,812 (2016: £409,091).

The key management personnel of the charity comprise the Hospice Management Team listed on page 5 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  
Mrs A Ball

#### **Pension**

The liabilities of the Federated Flexiplan No.1 were matched in full by its assets during the year ended 31 March 2017. No further sums are payable to the scheme by St Oswald's Hospice Ltd, and as such the liability (2016: £53,900) has been released.

### **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 (2016: £ Nil) has been accounted for in the results of the subsidiary.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 15. TANGIBLE FIXED ASSETS

Group	Freehold Land and Buildings £	Short Lease Premises £	Motor Vehicles £	Fixtures, Fittings and Equipment £	Total £
<b>Cost</b>					
1 April 2016	10,939,946	1,021,938	34,048	2,541,519	14,537,452
Disposals	(2,125)	-	-	(6,965)	(9,090)
Additions	-	31,262	-	77,880	109,141
<b>31 March 2017</b>	<b>10,937,821</b>	<b>1,053,199</b>	<b>34,048</b>	<b>2,612,434</b>	<b>14,637,503</b>
<b>Depreciation</b>					
1 April 2016	2,156,613	534,441	21,200	994,626	3,706,880
Disposals	(2,125)	-	-	(1,147)	(3,272)
Charge for the year	176,091	140,716	7,460	273,655	597,921
<b>31 March 2017</b>	<b>2,330,579</b>	<b>675,157</b>	<b>28,660</b>	<b>1,267,134</b>	<b>4,301,529</b>
<b>Net book value:</b>					
<b>31 March 2017</b>	<b>8,607,242</b>	<b>378,042</b>	<b>5,388</b>	<b>1,345,300</b>	<b>10,335,973</b>
<b>31 March 2016</b>	<b>8,783,333</b>	<b>487,497</b>	<b>12,848</b>	<b>1,546,894</b>	<b>10,830,572</b>

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

Hospice	Freehold Land and Buildings £	Short Lease Premises £	Motor Vehicles £	Fixtures, Fittings and Equipment £	Total £
<b>Cost</b>					
1 April 2016	10,937,821	1,021,938	34,048	2,533,019	14,526,827
Disposals	-	-	-	(6,965)	(6,965)
Additions	-	31,262	-	77,880	109,141
<b>31 March 2017</b>	<b>10,937,821</b>	<b>1,053,199</b>	<b>34,048</b>	<b>2,603,934</b>	<b>14,629,003</b>
<b>Depreciation</b>					
1 April 2015	2,156,613	534,441	21,200	984,001	3,696,255
Disposals	-	-	-	(1,147)	(1,147)
Charge for the year	176,091	140,716	7,460	273,655	597,921
<b>31 March 2017</b>	<b>2,332,702</b>	<b>675,157</b>	<b>28,660</b>	<b>1,256,509</b>	<b>4,293,029</b>
<b>Net book value:</b>					
<b>31 March 2017</b>	<b>8,605,117</b>	<b>378,042</b>	<b>5,388</b>	<b>1,347,425</b>	<b>10,335,973</b>
<b>31 March 2016</b>	<b>8,781,208</b>	<b>487,497</b>	<b>12,848</b>	<b>1,549,019</b>	<b>10,830,572</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 2016	1,493,499	-	1,493,499	1,493,499	2	1,493,501
Additions	500,147	-	500,147	500,147	-	500,147
Disposals	(998,448)	-	(998,448)	(998,448)	2	(998,448)
Net investment gain	174,335	-	174,335	174,335	-	174,335
<b>Value at 31 March 2017</b>	<b>1,169,533</b>	<b>-</b>	<b>1,169,533</b>	<b>1,169,533</b>	<b>2</b>	<b>1,169,535</b>
<b>Cash and time deposits held in portfolio</b>						
At 1 April 2016	76,340	-	76,340	76,340	-	76,340
Movements in cash	(13,236)	-	(13,236)	(13,236)	-	(13,236)
<b>At 31 March 2017</b>	<b>63,104</b>	<b>-</b>	<b>63,104</b>	<b>63,104</b>	<b>-</b>	<b>63,104</b>
<b>31 March 2017</b>	<u>1,232,637</u>	<u></u>	<u>1,232,637</u>	<u>1,232,637</u>	<u>2</u>	<u>1,232,639</u>
31 March 2016	<u>1,569,839</u>	<u>-</u>	<u>1,569,839</u>	<u>1,569,839</u>	<u>2</u>	<u>1,569,841</u>

All of the investments are unrestricted.

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

			<b>Group</b>	
			<b>2017</b>	<b>2016</b>
			<b>%</b>	<b>%</b>
UK fixed interest	32.5%	400,000	32.5	34.6
UK equities	48.3%	595,000	48.3	0.0
Overseas equities	14.1%	174,000	14.1	49.4
Alternative investments	0%	0	-	11.1
Cash	5.1%	63,000	5.1	4.9
			<u>100.0</u>	<u>100.0</u>

			<b>Group</b>	
			<b>2017</b>	<b>2016</b>
			<b>£</b>	<b>£</b>
Historical cost of listed investments at 31 March			<u>619,578</u>	<u>1,490,406</u>

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

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

**17. DEBTORS**

	<b>Group</b>		<b>Hospice</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts owed by subsidiary undertaking	-	-	36,440	30,220
Trade debtors	262,365	466,824	255,239	395,429
Prepayments	220,586	255,581	220,087	253,791
VAT Debtor	12,829	-	-	-
Accrued income	<u>662,912</u>	<u>1,023,236</u>	<u>662,912</u>	<u>1,023,236</u>
	<u><u>1,158,692</u></u>	<u><u>1,745,641</u></u>	<u><u>1,174,678</u></u>	<u><u>1,702,676</u></u>

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

	<b>Group</b>		<b>Hospice</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	164,089	482,390	150,272	474,317
Amounts owed to subsidiary undertaking	-	-	28,139	12,199
Taxation and social security costs	95,696	95,240	95,696	72,333
Deferred income	92,979	242,626	-	-
Other creditors	88,136	87,021	88,136	87,021
Accruals	<u>174,260</u>	<u>174,533</u>	<u>170,005</u>	<u>167,373</u>
	<u><u>615,160</u></u>	<u><u>1,081,810</u></u>	<u><u>532,248</u></u>	<u><u>813,243</u></u>

Group deferred income 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 2016. The movement in group deferred income is as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Deferred income brought forward	242,626	168,740
Payments received	949,323	1,160,236
Income recognised	<u>(1,098,970)</u>	<u>(1,086,350)</u>
Deferred income carried forward	<u><u>92,979</u></u>	<u><u>242,626</u></u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 19. PROVISIONS FOR LIABILITIES AND CHARGES

#### Group and Hospice

	Pensions £
At 1 April 2016	53,900
Provisions created during the year	0
Provisions released during the year	(53,900)
<b>At 31 March 2017</b>	<b>-</b>

The provision above related to a liability for deficit contributions to the Federated Flexiplan Pension Scheme. We have been advised by the scheme's trustees that the scheme is no longer in deficit, and as such no further contributions are payable.

### 20. FINANCIAL INSTRUMENTS

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

	2017 £	2016 £
<b>FINANCIAL ASSETS</b>		
Debt instruments measured at amortised cost:		
Trade Debtors	262,365	466,824
Accrued Income	662,912	1,023,236
<b>TOTAL</b>	<b>925,277</b>	<b>1,490,060</b>
<b>FINANCIAL LIABILITIES</b>		
Measured at amortised cost:		
Trade Creditors	164,089	482,390
Other Creditors	88,136	87,021
Accruals	174,260	174,533
<b>TOTAL</b>	<b>426,485</b>	<b>743,944</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 21. CONTINGENT LIABILITIES

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

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

<b>At March 2017</b>	<b>General Funds</b>	<b>Restricted Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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)
Total net assets	<b><u>7,841,776</u></b>	<b><u>6,229,368</u></b>	<b><u>14,071,144</u></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 2017 were £3,735,171 (2016: £3,322,554).

<b>At March 2016</b>	<b>General Funds</b>	<b>Restricted Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	4,453,336	6,377,236	10,830,572
Fixed asset investments	1,569,839	-	1,569,839
Current assets	2,888,427	-	-
Current liabilities	(1,081,810)	-	2,888,427
Provision for liabilities	(53,900)	-	(1,081,810)
Total net assets	<b><u>7,775,892</u></b>	<b><u>6,377,236</u></b>	<b><u>14,153,128</u></b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 23. STATEMENT OF FUNDS - GROUP

	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
Durham Fire Station	2,170	1,000	(2,240)	-	-	-	930

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

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	2,000	-	(2,000)	-	-	-	-
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>



## 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 2016

NOTE 23 CONTINUED PRIOR YEAR STATEMENT OF FUNDS	1 April 2015	Income	Expenditure	Transfers	Gift Aid	Gain on investments	31 March 2016
	£	£	£	£	£	£	£
<b>General funds:</b>							
Accumulated funds	<b>8,063,906</b>	9,610,372	(10,750,871)	-	752,159	(62,547)	<b>7,613,019</b>
Non-charitable trading reserve	<b>93,572</b>	1,314,453	(625,299)	-	(752,159)	-	<b>30,567</b>
<b>Designated funds:</b>							
Young Adults' Service	-	-	-	-	-	-	-
Sundry donations for specific purposes - unrestricted	<b>187,166</b>	78,814	(133,674)	-	-	-	<b>132,306</b>
<b>Total unrestricted funds</b>	<b>8,344,644</b>	11,003,639	(11,509,844)	-	-	(62,547)	<b>7,775,892</b>

#### Restricted funds:

Catherine Cookson Charitable Trust	5,000	=	(5,000)	-	-	-	-
Aidan Army - childrens equipment	-	2,096	(1,387)	-	-	-	709
Adult inpatients' unit refurbishment fund	277,928	-	(54,518)	-	-	-	223,410
Albert Hunt Trust	3,928	-	(3,928)	-	-	-	-
Anonymous Donation 1	5,000	-	(5,000)	-	-	-	-
Anonymous Donation 2	-	5,550	-	-	-	-	5,550
Anonymous Donation 3	5,000	-	(5,000)	-	-	-	-
Bond Dickinson	1,000	-	(1,000)	-	-	-	-
Caring Together	-	19,381	(19,381)	-	-	-	-

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chART 1	-	150	(150)	-	-	-	-
chART 2	-	5,000	-	-	-	-	5,000
Children's Service Building Fund	2,523,826	-	(79,975)	-	-	-	2,443,851
Coleman Fund	238,715	-	(4,613)	-	-	-	234,102
Comic Relief/Carers' Trust : families getting together	-	1,500	(1,500)	-	-	-	-
Cundall Ltd- specialist bed for Children's service	-	4,000	(4,000)	-	-	-	-
Day Hospice Building Fund	528,991	-	(16,450)	-	-	-	512,541
Day Services Building Fund	1,715,624	-	(38,126)	-	-	-	1,677,498
Department of Health Children's Hospice grant	-	199,820	(199,820)	-	-	-	-
Dickon Trust at the Community Foundation - relaxation sessions	-	2,000	-	-	-	-	2,000
Durham Fire Station	-	2,170	-	-	-	-	2,170
Finn Family Fund	-	2,000	(2,000)	-	-	-	-
Garfield Weston Foundation	16,821	-	(16,821)	-	-	-	-
Gosforth Lodge	-	2,000	(2,000)	-	-	-	-
Guyll Leng Trust – young adults' social group	-	5,250	(5,250)	-	-	-	-
Gull Leng charitable trust - young adults' bathroom refurb	-	2,000	-	-	-	-	2,000
Guyll Leng Trust	6,750	-	(6,750)	-	-	-	-
Hadrian Trust	-	1,000	-	-	-	-	1,000
Hayley Quinn	1,500	-	(1,500)	-	-	-	-
Hospice Building Fund	818,395	-	(28,642)	-	-	-	789,753
In memory of Matty Millar	-	1,055	-	-	-	-	1,055
Information Centre	98,304	-	(5,078)	-	-	-	93,226
JGW Patterson Foundation	15,425	22,402	(37,827)	-	-	-	-
Joseph Strong Fraser Trust	-	1,000	-	-	-	-	1,000
Mrs Caruthers	-	1,560	(1,560)	-	-	-	-
NEPAC	2,000	2,000	(2,000)	-	-	-	2,000
P&G Fund at the Community Foundation	-	4,659	-	-	-	-	4,659
R Glaholm - Chapel Altar Cloths	-	950	-	-	-	-	950

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Rods and Cods	-	605	-	-	-	-	605
Rothley Trust	-	3,000	(3,000)	-	-	-	-
RW Mann	-	500	(500)	-	-	-	-
Springfield House (Reece) Trust	-	40,600	(20,300)	-	-	-	20,300
Sam and Bella Sebba Charitable Trust	12,500	15,000	(27,500)	-	-	-	-
The Good Will Foundation	-	2,000	(2,000)	-	-	-	-
The Mel Weir Charitable Trust	-	2,500	(2,500)	-	-	-	-
The Shears Foundation	-	50,000	(4,167)	-	-	-	45,833
The Social Enterprise Investment Fund	267,176	-	(44,706)	-	-	-	222,470
The Vardy Foundation	-	20,000	(20,000)	-	-	-	-
Transition taskforce	5,002	10,200	(10,202)	-	-	-	5,000
True Colours Trust	9,500	-	(3,250)	-	-	-	6,250
Tyneside Charitable Trust	-	1,500	(1,500)	-	-	-	-
Wolfson Trust	2,456	-	(2,456)	-	-	-	-
Zurich Community Trust	-	2,000	-	-	-	-	2,000
Young adults' service restricted fund 1	69,848	-	(13,263)	-	-	-	56,585
Young adults' service restricted fund 2	18,922	-	(3,203)	-	-	-	15,719

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<b>Total restricted funds</b>	6,649,611	435,448	(707,823)	-	-	-	6,377,236
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<b>Total funds</b>	14,994,255	11,439,087	(12,217,667)	-	-	(62,547)	14,153,128
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Transfers have been made from restricted to general funds to reflect conditions met on restricted funding for capital purcha

## **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.

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

This donation was made anonymously towards the kitchen project.

##### **Catherine Cookson Trust – kitchen refurbishment**

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

##### **chART – Children's Story Book**

This money was donated to provide interactive digital books based on the Snowdogs project.

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

This money was donated for Children's music sessions.

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

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

##### **Coleman Fund**

This was established through donations specifically designated for upgrading and construction work to the Hospice, including the establishment of an education centre. The figure shown represents the original money raised less accumulated depreciation on the original cost of the project.

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

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

#### **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.

#### **Dickon Trust care of Community Foundation**

This was donated to pay for relaxation sessions for Day Hospice patients.

#### **Dickon Trust care of Community Foundation**

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

#### **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.

#### **ENGIE**

This donation was used towards entertainment and gifts for our children's Christmas party.

#### **Family Assurance**

This money was used to fund the refurbishment of our Complementary Therapy Room.

#### **Franciscan Community Chapel**

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

#### **Garfield Weston**

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

#### **Gosforth Lodge**

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

#### **Guyll Leng Charitable Trust 1**

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)**

#### **Guyll Leng Charitable Trust 2**

This trust gave us funds towards the young adult's social group and the young adult's bathroom refurbishment.

#### **Hadrian Trust**

This donation was for exercise classes for Day Hospice patients.

#### **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.

#### **In Memory of Matty Millar**

This donation was used towards the young adult's bathroom refurbishment.

#### **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.

#### **J Chapman**

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

#### **JGW Patterson Foundation**

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

#### **Joseph Strong Fraser Trust**

This donation was used towards the Positive Steps programme.

#### **Mark Benevolent Fund**

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

#### **Mel Weir Charitable Trust**

This donation was used towards the running costs of our Focus on Living programme.

#### **Mr & Mrs Cape**

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

#### **Natalie Warne**

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

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

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

#### **NEPAC 1**

This donation was given towards the cost of a Dynamap patient monitor and mattresses for the Day Hospice.

#### **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.

#### **P & G Fund at the Community Foundation**

This donation was made towards the cost of our Positive Steps programme.

#### **Pickard**

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

#### **R Glaholm**

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

#### **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.

#### **Rothley Trust**

This donation was used to purchase two Arjo Rhapsody baths for our Children's Hospice.

#### **Seahouses & District Cancer Research Relief Fund**

This donation was used to purchase two new IV Infusion Pumps for the Adult Inpatient Unit.

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

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

#### **Springfield House (Reece) Trust**

This donation was used towards funding a children's physiotherapist.

#### **St Michaels Healing at Home Trust**

This donation was made towards the cost of the Hospice's Chaplaincy Service.

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

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

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

This donation was used to purchase a Pulse Oximeter

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

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

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

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

#### **The Shears Foundation**

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

#### **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.

#### **Tom & Susan Lovatt**

This donation was used towards the Positive Steps Programme.

#### **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**

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

#### **Tyneside Charitable Trust**

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

#### **WA Handley Trust**

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

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

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

#### **Will Charitable Trust**

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

#### **William Leech Charity**

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

#### **Zurich Community Trust 1**

This donation was used to fund six months of Tripudio classes in our Day Hospice.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

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

#### Zurich Community Trust 2

This donation was used towards entertainment and gifts for our Children's Christmas Party.

### 24. LEASING COMMITMENTS

#### Operating leases

The company's total future minimum lease payments under non-cancellable operating leases at 31 March 2017 relate to short leasehold land and buildings as set out below:

	2017	2016
	£	£
<b>Operating leases that expire:</b>		
Within one year	436,302	463,004
Within two to five years	987,245	1,599,533
Over five years	664,923	1,125,702
	<u>2,088,471</u>	<u>3,188,239</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 (2016: £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, is a Trustee of Together for Short Lives 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 £16,369 in fundraising income from Together for Short Lives.