



**St Oswald's  
Hospice**



**Trustees' Annual Report  
and Financial Statements**  
for the year ended 31 March 2021

*Quality time for everyone*

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**  
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## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

### **Welcome to the Annual Report of St Oswald's Hospice Limited for the financial year ended 31 March 2021.**

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 2021. 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 September 2015).

### **Reference and Administrative Details**

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

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

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

### **Our Registered Office**

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

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

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

The Board of Trustees who served during the year are set out on page 5, where you will also find details of the Hospice Management Team. Our professional advisors are detailed on page 6.

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

### **Message from our Chair**

St Oswald's Hospice is a North East based charitable hospice. Our fundamental aim is to make a difference to local people's lives by providing outstanding and specialist palliative and end of life care for babies, children, young people and adults from across our North East region who have incurable conditions.

At the time of writing this message, we're now over a year in to the pandemic and the Hospice continues to adapt to a new way of working. Although we never could have anticipated the challenges faced by Covid-19, I feel so proud to be Chair of a charity whose staff and volunteers continue to put the needs of local people and their families first. We have ensured our services have been open throughout and quickly and innovatively adapted so that we continue to provide the most appropriate, safe and compassionate services.

All of our services have experienced huge changes, and we've even established some new services during Covid-19. Three major service developments this year have included: a pilot ambulatory care service for patients coming to us for planned procedures during the day; a new bereavement support training programme for employers, further supporting people in our communities impacted by loss and grief; and new volunteer initiatives within our care services that continue to help staff to manage demand for our services and improve patient experience, making sure we provide the best possible care. You can read more about these developments later in this year's annual report.

Over the last few months, we've also been planning for the future and developed organisational objectives. The objectives have been designed to make sure that we do three things - *Survive* the current situation, *Strive* to improve so that we can *Thrive* in a post-COVID world. In the coming year, we'll be embedding these objectives in to the organisation.

The restrictions that the pandemic has put on our retail and fundraising activities have had an impact on our income and have affected our ability to continue with the level of subsidy we provide for the NHS and other statutory services we provide. In the last year this has been mitigated by government funding, however our teams have been creative and flexible in trying to address this for the future, as we anticipate that the impact will continue into 2021/22 and beyond and are planning accordingly.

Collaboration with our partners across health, social care and the voluntary and community sector has never been more important. The work that we have done over the years to build strong and trusting relationships was highlighted during the pandemic. We have benefited from excellent Infection Control advice and support from Newcastle Hospitals NHS Foundation Trust, and from access to PPE through the NHS. We were also able to play our part by ensuring that our essential respite care for children and young adults remained available throughout. We are continuing to build on these relationships to ensure that we can drive the improvement of palliative and end of life care across the region. We are also developing stronger links beyond the North East to support the improvement of specialist care.

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

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

**Message from our Chair (continued)**

Finally, in these uncertain times, it still remains our vision to make sure everyone in our region gets expert, dignified and compassionate care when they need it. Thank you for your continued support to help us make this a reality.



**Marie Liston**  
**Chair**

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

### **Board of Trustees and Management at 31 March 2021:**

#### **Vice-Presidents**

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

#### **Board of Trustees**

Mrs M Liston (Chair)  
Mrs C English (Vice Chair)  
Mr B Hedley (Treasurer)

Mrs D Clasper	Dr H Lucraft	
Mr D Hicks	Mrs T Phillips	Dr S Blades
Mr N Hobday	Mr S James	Mr G Boulton
Miss R Gair	Miss L Lloyd	Mrs I Holland

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

##### **Resignations**

Mrs J Harrison resigned as a Trustee on 25 November 2020.  
Dr N Morris resigned as a Trustee on 4 January 2021.

##### **Appointments**

Mr G Boulton appointed as a Trustee on 20 July 2020  
Miss R Gair appointed as a Trustee on 20 July 2020  
Miss L Lloyd appointed as a Trustee on 20 July 2020  
Dr S Blades appointed as a Trustee on 4 January 2021  
Mrs I Holland appointed as a Trustee on 3 February 2021

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

Mr J R Ellam	Chief Executive (retired 30 June 2020)
Ms S Edusei	Chief Executive (appointed 1 May 2020)
Mrs K Maclaren	Finance Director (maternity leave 4 October 2019 – 15 June 2020)
Mrs R Parker	Interim Finance Director (maternity cover)
Mrs H A Eadington	Director of Corporate Services and Company Secretary
Mrs A Egdell	Director of Care Services
Ms D I Heron	Director of People
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 2021**

**Our Professional Advisors at 31 March 2021**

**Statutory Auditor:**

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

**Internal Auditor:**

MHA Tait Walker  
Regent Centre  
Newcastle upon Tyne  
NE3 3LS

**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

Cook Taylor Woodhouse  
First Floor North Wing, Moongate House,  
Fifth Avenue Business Park, Team Valley Trading Estate,  
Gateshead,  
NE11 0HF

**Bankers:**

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

**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

**Pension Advisors:**

MHA Tait Walker  
Regent Centre  
Newcastle upon Tyne  
NE3 3LS

**Insurance Advisors:**

PIB Insurance Brokers  
Poppleton Road  
Low Poppleton Lane  
York  
North Yorkshire  
YO26 6GZ

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

### **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 two Trustees who regularly volunteer at the Hospice. The Nomination and Remuneration Committee identify other Trustee posts and expertise required within the Board of Trustees.

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

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

As part of their involvement in the work of St Oswald's, Trustees visit departments periodically during the year. Staff and volunteers can talk in confidence to Trustees, who then report their overall findings back to the Hospice Management Team (HMT) and recommend changes to be made, as they deem appropriate. Visits are valued by staff, volunteers and Trustees alike, providing insight into the day-to-day operations of St Oswald's and acting as an important communication tool for the organisation. Trustee visit reports are forwarded back to HMT for a management response to any issues raised and copies are made available to each team, members of the Clinical Governance and Quality Committee and all Trustees. Trustees visit our retail shops on a biennial basis, with HMT members undertaking an informal visit in the intervening year. Due to Covid19 all Trustee visits were suspended in March 2020. Departmental visits re-commenced in January 2021 and retail visits will recommence in September 2021.

#### **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 2021**

The Board of Trustees and Directors (also referred to as 'the Board' within this report) have three Committees that aid the conduct of their responsibilities. These are:

- Audit and Finance Committee;
- Nomination and Remuneration Committee; and
- Clinical Governance and Quality Committee.

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

### **Committee Membership at 31 March 2021**

<b>Audit and Finance</b>	<b>Nomination and Remuneration</b>	<b>Clinical Governance and Quality</b>
<b>Trustees:</b>	<b>Trustees:</b>	<b>Trustees:</b>
Mr B Hedley (Chairman)	Mrs M Liston (Chair)	Mrs C English (Chair)
Mr S James	Mrs C English	Mrs D Clasper
Dr H Lucraft	Mr B Hedley	Dr S Blades
Mrs T Phillips	Mr N Hobdey	Mr S James
Miss L Lloyd	Mrs T Phillips	

<b>Attending Directors:</b>	<b>Attending Directors:</b>	<b>Attending Directors:</b>
Ms S Edusei	Ms S Edusei	Mrs H A Eadington
Mrs H A Eadington	Mrs H A Eadington	Mrs A Egdell
Mrs K Maclaren	Miss D I Heron	Miss D I Heron

Average Trustee attendance at Audit and Finance, Nomination and Remuneration and Clinical Governance and Quality Committee meetings during the year stood at 93%, 100% and 100% respectively.

Average Trustee attendance at the bi-monthly Board meetings stands at 89%.

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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

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

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

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

### **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 (as outlined on page 5). The Chief Executive, with the support of the Management Team, reports to the Board, which approves major decisions and has overall responsibility for the Hospice's activities and direction.

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

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

There were two changes in our Management Team this year; Ms D I Heron had a title change from Director of Human Resources to Director of People. Mrs K Maclaren was on maternity leave and Mrs R Parker was interim Finance Director during this time. At the beginning of the financial year, Ms S Edusei joined the Management Team as Chief Executive and Mr J Ellam retired from this post.

### **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). 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.

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

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

We are members of the umbrella organisations Together for Short Lives and Hospice UK, who provide a national voice for children and adult hospices respectively.

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

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

### **Objectives and Aims**

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

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

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

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

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

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

#### **Recruitment, Retention and Development of Staff & Volunteers**

We are committed to providing a quality service at St Oswald's. We aim to ensure we have a workforce in place that enables us to achieve our strategic objectives. We have systems and procedures in place to ensure we recruit the right people, with the right skills, knowledge and attitude into the right roles, train them fully and manage them effectively.

Our People related policies and procedures comply with legislative and regulatory requirements and reflect best practice and govern all our activities, ensuring all our staff and volunteers work within safe and effective systems.

St Oswald's Criminal Records 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 or unpaid work or placement commences.

Our 'values' and linked 'standards of behaviour' are well embedded across St Oswald's. Our values are our core beliefs, and they provide a guide to staff and volunteers explaining who we are, how we work, what we believe in and stand for.

One of the main themes for our People Strategy continues to be wellbeing, with work ongoing towards achieving the Better Health at Work Award, using as our focus feedback on our survey of staff and building on the "Five Ways of Wellbeing".

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

The Engagement group continues to focus its work and actions in response to the outcomes of the bi-annual staff surveys. This year's surveys asked staff for their experiences during the pandemic, and what we can learn from them.

Each year we deliver a planned learning, development and education programme necessary to our staff and volunteers to ensure they undertake their roles safely, in a well managed environment and that equips them to continue to deliver high quality services as they grow and develop. In the coming year we will be focusing our attention on how to delivery a more blended approach to training delivery including increasing our sue of digital technology.

The Equality, Diversity and Inclusion (EDI) group are developing plans to offer training to all our staff anad volunteers in equality, diversity and inclusion.

### **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 the Hospice Management Team 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**

The Board of Trustees, the Chief Executive and the Hospice Management Team comprise 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 note 25 of the accounts.

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

The pay of the charity's Chief Executive and HMT is reviewed annually by St Oswald's Nomination and Remuneration Committee and any recommended uplift is approved by the Board of Trustees. The uplift normally matches that awarded to all other staff groups although every 3 years a full review of the salary of the Chief Executive and HMT will take place. This will be benchmarked to other charities of similar size and turnover and seek to compare like with like posts.

### **Equality of Opportunity**

St Oswald's fully supports the principle of equality and diversity as reflected in the development of the new EDI group mentioned above. It is committed

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

to ensuring that all current and potential staff and volunteers are treated with dignity, fairness and respect, regardless of their sex, marital status, age, sexual orientation, race, ethnic or national background, religion, beliefs or disability.

We promote an environment in which individual staff can utilise their skills and talents to the full, and that the best people are recruited for our jobs from as wide and diverse a pool of talent as possible.

### **Staff Involvement**

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

### **Disability in Employment**

We employ people living with disabilities when they are suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration. We are now a Disability Confident employer.

### **Volunteers**

Volunteers offer their skills, experience, expertise and time to every department in the Hospice and Promotions Company and form an important part of St Oswald's workforce.

This year has been uniquely challenging for volunteering at the Hospice but it has also highlighted some amazing volunteering achievements. Excluding several weeks during the initial peak of the pandemic, volunteers have supported us throughout the year. During this period, we have developed some innovative new patient facing roles, which have been a vital source of support for patients and reduced pressure for staff.

Within our Lymphoedema Service, the team introduced an extremely successful new volunteer role, 'Lymphoedema Community Volunteers', to support increased domiciliary visits in the community. Responding to patient needs on our Adult Inpatient Unit, we've introduced 'Patient Support Volunteers'. These volunteers provide compassionate companionship to patients and practical support to nursing staff.

A new Check In and Chat Volunteer Service provided a listening ear and friendly voice over the phone to retail volunteers – many of whom were experiencing a range of challenges due to lockdown when our shops were closed or the more vulnerable were isolating. Volunteers have also played a key role in getting shops back up and running whenever restrictions allowed, generating vital income.

We are a volunteering organisation and without the support and commitment of our volunteers we could not provide vital hospice services to local people and families.

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

### **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 Risk Register at Board meetings, 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. Across the Hospice we have a culture of monitoring adverse events, complaints and feedback as a way to monitor risk.

### **Impact of Covid-19 Epidemic Risk**

Throughout the financial year the UK has been subject to restrictions to stem the spread of Covid-19. The pandemic has proved to be fast moving and is likely to continue to have severe implications for our service delivery, income generation, health and safety and overall governance for the foreseeable future. However, clinical services are being managed closely via a daily Clinical Planning Group meeting chaired by Director of Care Services. Changes have been made to how we operate services to ensure they are delivered in a Covid-safe way, and the organisation continues to respond to the dynamic national guidance. This also includes implementing new ways of working, such as remote working for non-clinical staff, and changes to how we operate Retail and Income Generation Activities.

### **Environment and Fire Risks**

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

### **Clinical Risks**

We also have a Clinical Quality Team. Team members are experienced nurses who represent, guide and support staff and volunteers to ensure that safe quality care is maintained across the Hospice based on best available evidence. The team monitor and review clinical activity, service user feedback, engagement and involvement, clinical data, service user information, clinical risks and adverse events as well as participating in Hospice UK's benchmarking safety programme.

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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

There are a number of dedicated sub-groups which feed into the Clinical Quality Team, namely: Data Quality and Records Management, Business Change/Business Technologies, SystmOne and Clinical Records, Ethics, Infection Prevention and Control, Water Hygiene, Emergency Preparedness, Resilience and Response (EPRR), Clinical Audit, Nutrition and Hydration, Medicines Management, Manual Handling, Falls Prevention and Management, Clinical Education, Medical Gases, Palliative Care Advice Line, OACC, Enablement Group, Equality, Diversity and Inclusion, Sexuality, Safeguarding, Bereavement, and most recently our new Clinical Research Department. The Clinical Quality Team report into the Trustees' Clinical Governance and Quality Committee meetings.

Each month we produce a Clinical Quality Report to provide the Clinical Governance and Quality Committee with a summary of the key elements of Risk Management and Clinical Quality Improvement work within St Oswald's. This report also gives a summary of all the dedicated sub-groups and outlines the plans going forward.

#### **External Bodies**

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

At the end of the financial year, Tait Walker was appointed as internal auditor, with a planned programme of work starting in early 2021/22. The programme of works covers all aspects of financial control, alongside review non-financial controls and procedures.

#### **Financial Risk Factors**

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

##### **Income Risk**

Income Risk is the reliance on potentially volatile income streams such as lottery income, voluntary donations, retail and fundraising income and legacies. In the rapidly changing economic environment due to the covid-19 epidemic, there is much uncertainty surrounding the charity's ability to generate income. The risk is mitigated as far as possible by redesigning fundraising activities to be covid-safe, operating shops in line with government guidance and remaining responsive to changes in the local environment.

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

##### **Fraud and Financial Crime Risk**

Any business carrying out activities that involve handling large amounts of cash faces the risk of loss of income through fraud or theft. An Internal Financial Control policy has been established to outline operating procedures to minimise these



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

risks. For members of staff handling cash remotely, facilities are also in place to ensure that they are able to bank money quickly and locally rather than hold on to cash for long periods of time. Staff are made fully aware of their responsibilities in respect of handling cash and these procedures during induction, and are reminded of their responsibilities on an annual basis. Should any incident of theft or financial crime be suspected, the procedure detailed in the Fraud policy is followed and the appropriate authorities notified in a timely manner.

**Investment Risk**

The Hospice is exposed to fluctuations in the stock market which affect the value of its investment portfolio. The portfolio is monitored by the Audit and Finance Committee at each of their meetings throughout the year. The portfolio is designed both to generate a stream of dividend income and as a long term investment. Trustees recognise that its value is subject to fluctuations in the stock markets. The risk profile of the portfolio, is under constant review by the Audit and Finance Committee, which is advised by the Hospice's investment managers, UBS. The value of the investments was adversely impacted by Covid-19 at the end of the last financial year; however the value has steadily recovered in year to 31 March 2021.

**Liquidity Risk**

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

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

### STRATEGIC REPORT – Achievements and Performance

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

#### Adult Services

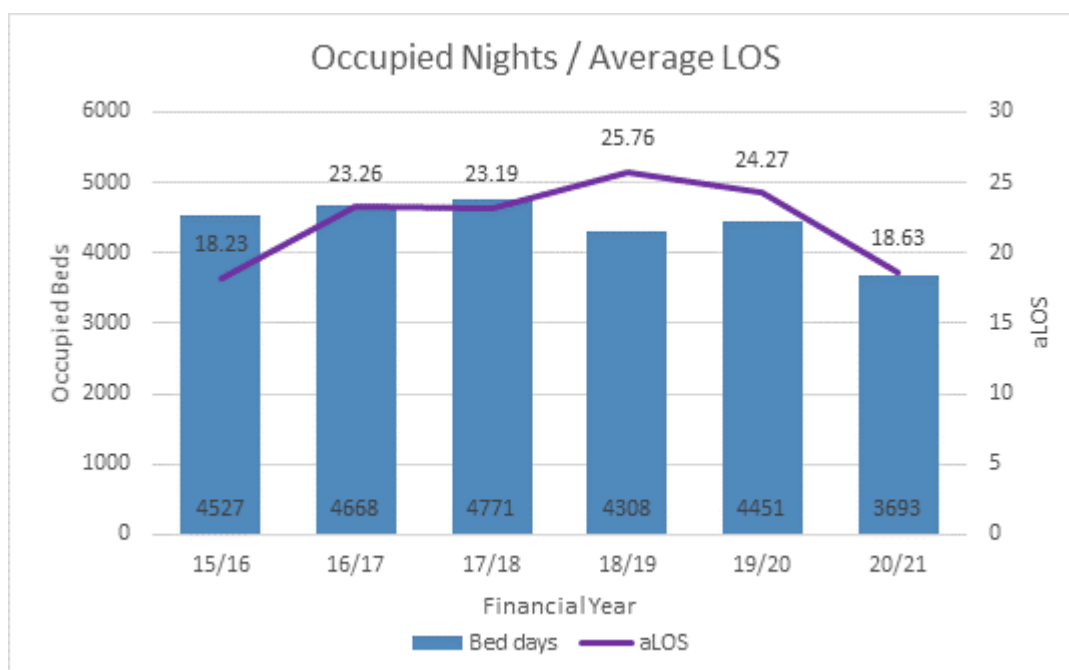
Our Adult Service offers an inpatient service; a lymphoedema service; 'focus on living centre' comprising of therapeutic activities in both group and one-to-one sessions; an ambulatory care service; complementary therapy; 'positive steps' programme for prospective patients and their carers; carer and 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 by providing pain and symptom control, psychosocial, emotional and spiritual support; facilitate a safe and timely patient discharge to home or transfer to a continuing care service, as well as provide a supportive environment at the end of life.

Last year...

- 199 adult inpatient admissions, 67 patient discharges and 113 deaths.
- patients stayed with us for an average stay of 19 days.



## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

### **STRATEGIC REPORT – Achievements and Performance (continued)**

- 3693 bed days were occupied during the year.
- average bed occupancy was 67%.

This year we have continued to make improvements to our building and gardens on the unit. Recognising the importance of providing a space for families to enjoy quality time together, especially throughout covid-19, we have opened our 'family room', extension, which has been a wonderful space for families to spend time together outside of their bedrooms and we have held special events such as birthdays and other celebrations. In addition, the gardens, which are now a much more tranquil and peaceful spaces, have been particularly important throughout the pandemic when we have had to make changes to visiting.

Responding to patient needs, we've also developed a new volunteer role, Patient Support Volunteers, which has been vital during covid-19. These volunteers are trained by us to provide support to in patients by providing companionship, helping with feeding, and even sitting with patients close to end of life if family are not available. They are also a great help if patients are at risk of falls, helping us with patient safety.

#### **What families said. . .**

*"St Oswald's Hospice became an invaluable lifeline to our family when my daughter became terminally ill at 50. As the mother of a 7 year old child, she had many social needs as well as dealing with her diagnosis. She was initially very apprehensive of hospice care on her first admission. However, due to the compassion and professional care she was given, the staff began to obtain her trust with patience and skill."*

*"I just wanted to say a huge thanks to every single person who we came into contact with. They were absolutely amazing and helped in one way or another. They catered for every need for my Dad with dietary requirements and just made us totally at home. We found the garden to be an amazing place to get outside to give us a break from the pressures. Totally amazing place."*

#### **Adult Day Services**

There has been some huge changes to the way we deliver services our day services this year.

Within our Focus on Living Centre, we would usually have around 80 patients a week attending the centre, but as this face to face contact is now not possible due to Covid-19 we have adapted services to offer virtual support, and face-to-face contact where needed.

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

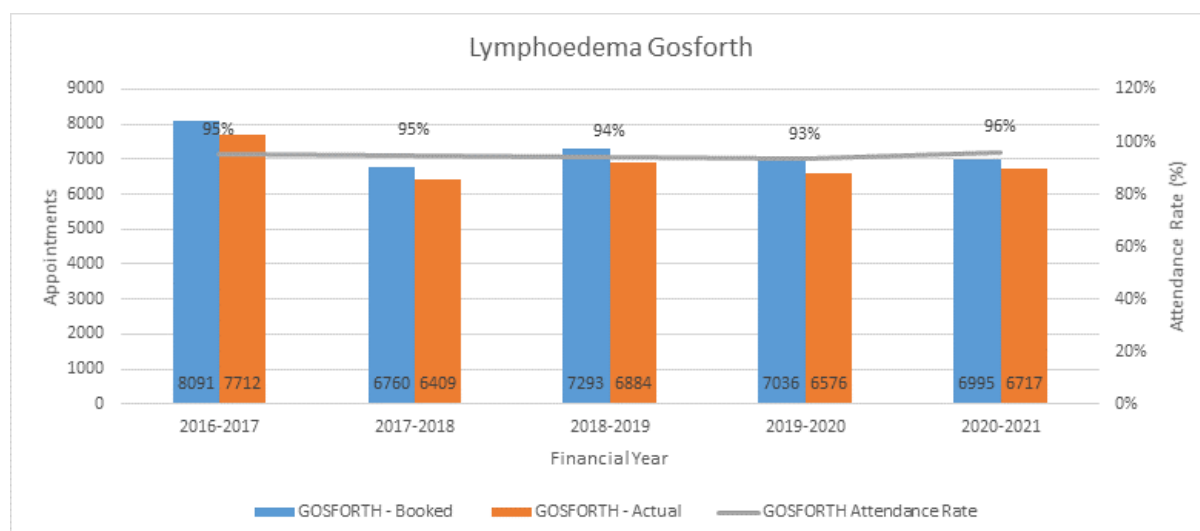
### STRATEGIC REPORT – Achievements and Performance (continued)

This year we have also established a pilot ambulatory care service, working in partnership with Newcastle Hospitals NHS Foundation Trust. The service, which began to see patients in April 2021, was setup for people with palliative care needs to attend for planned procedures, which initially includes transfusions/ blood product support and bisphosphonate/ iron infusions. This is an innovative new service with potential for long term sustainability.

Our Lymphoedema Service has also adapted to meet the changing needs of patients, offering appointments at home, at the Hospice and via telephone consultations.

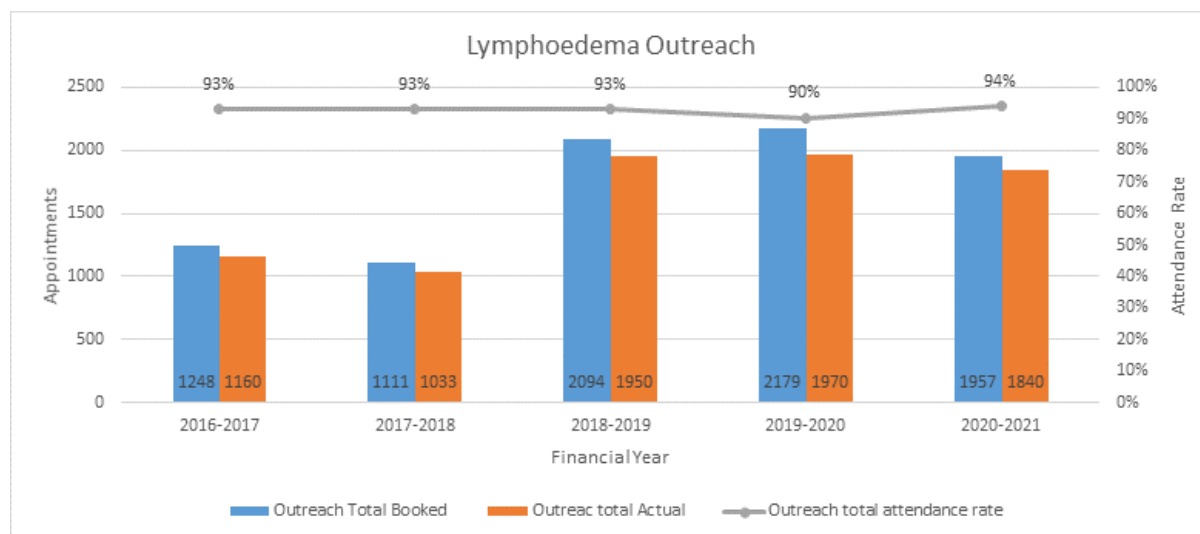
To support increased visits in the community, the service has introduced an extremely successful new volunteer role, 'Lymphoedema Community Volunteers'. The volunteers have accompanied and supported staff, which has provided an extra pair of hands to support removal of bandages and recording measurements and reduced pressure for staff.

- Within Focus on Living Centre, 1189 one-to-one contacts were recorded for 169 patients.
- 644 referrals to our Lymphoedema Service and a total of 8557 Lymphoedema attendances across all of our clinics. Clinic appointments include new patient assessments, review appointments, garment fittings and intensive treatments which can involve attending clinic daily over a number of weeks.
- We continued to operate outreach clinics to care and support people living with lymphoedema closer to home in Shiremoor, Blaydon and South Tyneside. This included 1,326 appointments in South Tyneside, 224 appointments in our Shiremoor Outreach Clinic and 290 appointments held in Blaydon.



## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

### STRATEGIC REPORT – Achievements and Performance (continued)



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

*"My daughter absolutely loves the whole lymphodema team at St Oswald's and they love her too. The Hospice is our extended family we would be lost without them. Me and her dad can't thank St Oswald's enough for what they do for our brave little girl."*

*"Despite an initial reluctance to go to St Oswald's, I loved it. The people are all really lovely; I always felt spoilt as the staff couldn't do enough for me."*

*"It has been a great experience [attending St Oswald's Hospice]. The first real support I've had during my 3 years of fighting cancer."*

#### Children and Young Adults Service

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

- 58 children and their families benefited from our Children's Service.
- A further 9 young adults were cared for at St Oswald's.
- We had 516 admissions, 1,717 bed days were occupied with an 78% occupancy rate.
- The average length of stay is 3 nights per visit for children and young adults.

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

### **STRATEGIC REPORT – Achievements and Performance (continued)**

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

We continue to develop our new outpatient service for young adults, and have extended the scope of the service to benefit more local young people. The service was initially set up to support young adults transitioning in to adulthood, however the initial plot has demonstrated that transition is just one of the unmet needs that these patients have, and so we have extended the service to support young people with complex needs. We will be restarting this outpatient service in May 2021.

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

*"He really enjoyed his time at St Oswald's, the many friends he made and the many activities he experienced. We are all appreciative of how much this all added to the quality of his life. His time was limited by his condition but his life experience was massive."*

*"We can't thank St Oswald's children and = young adults team enough for their ongoing support during the current time. Shielding is incredibly hard for whole families managing complex health needs. Weekly phone calls with organised activities bring a little sunshine and fun, a chance to spend time with peers and familiar staff. We are all really missing the stays at St Oswald's."*

*"My daughter has been coming to St Oswald's for about 7 years and I genuinely don't know how we'd have coped without it. Having a break from the role of being a constant carer for our child has been vital for our physical and mental health. Plus she absolutely loves her stays there and it has really helped her develop her social skills and independence. We are so very grateful for everything they do for us."*

### **Bereavement and Family Support**

Due to the devastating impacts of Covid-19, our bereavement and family support services have seen an increase in demand this year. Hundreds of families were supported by our Bereavement Service, and the service adapted to continue to support clients face-to-face, online and over the phone.

We've also developed a *new grief, loss and bereavement* training programme for employers in response to the pandemic, supporting even more people in our communities. The training programme for businesses was developed in September 2020, and continues to grow and develop. All support and training is delivered online by our Bereavement Team, who are specialists in supporting people following the death of a loved one, friend or colleague. In the first six months, 146 people attended the training, with 86% of attendees said their expectations of training were either met or exceeded.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

**STRATEGIC REPORT - Monitoring and Compliance**

**Ensuring Quality Care: Monitoring and Compliance**

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

We are monitored and regulated by the Care Quality Commission (CQC) and at last inspection (September 2015); we were awarded an overall rating of 'Good'. The CQC awarded us 'Outstanding' for care, and 'Good' for the following four outcomes: safe, effective, responsive and well-led. No recommendations for improvement were made. The regime under which Hospices are inspected changed in 2018 and as a result we have been working on reviewing our performance against the new requirements.

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. This year we've recognised stakeholder engagement and involvement as a key priority for the organisation. A draft Service User Engagement and Involvement Strategy has been written and we are working with colleagues across the Hospice to ensure we review and formalise this work.

Our Clinical Quality Team 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.

St Oswald's Hospice income in 2020/21 was not conditional on achieving specific targets through the Commissioning for Quality and Innovation payment framework this year, to allow the hospice to focus on navigating the challenges presented by the pandemic. It is expected that payments relating to this framework will revert to being target-driven from April 2021.

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

### **STRATEGIC REPORT - Monitoring and Compliance (continued)**

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

Donors to our Hospice can be assured that we comply with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. We encourage our fundraising service providers we engage with to also be signed up to the code. This report covers the requirements charities must follow as set out in the Charities Act 2016.

It has cost us £8.8 million (2020: £9.0 million) to provide our charitable hospice services this year. Approximately two thirds of this of this came from statutory funding in 2020/21 which is a substantial increase on the one half raised from similar sources in 2019/20, due to the one-off funding from NHS England via hospice UK in light of support provided by the charity to the NHS during the pandemic. We aim to raise the balance of funding required through fundraising.

Our fundraising effort involves encouraging donations and legacies, running events and operating a lottery. Our in-house fundraising team engages professional face-to-face or telephone fundraisers via an agency to help us promote individual giving. We aim to ensure those agencies we employ also observe the highest standards in terms of fundraising practice.

We are registered with the Fundraising Regulator and comply with all the relevant standards set out in the Code of Fundraising Practice. Several of our in-house fundraising team are members of the Institute of Fundraising.

Our lottery and our raffles are regulated by the Gambling Commission, and we comply with the conditions set out in our licence.

We ensure that the correct safeguards are in place with our suppliers and those who fundraise on our behalf. We require them to confirm that they comply with the Code of Fundraising Practice.

Our website outlines our complaints policy for the public and clearly explains how an individual can complain. We received 1 complaint in the 2020-21 financial year.

We respond to all complaints within 10 days. We encourage teams to register near misses, adverse events and feedback as well as formal complaints in order to identify possible or underlying areas in which we could improve. Complaints are dealt with in-line with our fundraising complaints policy. Most serious complaints would be escalated to our Hospice Management Team (HMT) and trustees so they can consider lessons learnt. We report to the Fundraising Regulator on the totality of our complaints.

We have published our vulnerable persons policy on our website. We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us. We received, and therefore actioned, no requests from this service last year. In addition to our policy we have an agreed operating procedure to protect vulnerable people, which our fundraisers (both staff and third party) are familiarised with.



## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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

Under GDPR, our supporters have many legal rights over the way their personal data is used. We comply with The Code of Fundraising Practice which requires us to respect the public in how we process and protect their personal data. Processing data means doing something with it, including collecting, storing and using it.

Personal data is any information relating to a living individual who can be directly or indirectly identified from it. This could include keeping records, or using data for direct marketing. We ensure that we have an appropriate legal basis to use personal data, including when and how we contact supporters. For more information on how we use personal data in our fundraising, please see our [Privacy Policy](#) on the website. The Privacy Policy determines how supporters can ask us to stop processing their data for certain purposes. Our communications provide supporters with information on how to stop receiving them.

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

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

We are a member of the Retail Charity Association, the primary membership organisation for charity shops in the UK. The association influences and monitors legislation and regulations that affect charity retailing, and promotes the benefits of charity retailing to communities.

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

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

Due to Covid-19, throughout the year our retail department have been monitoring, reviewing, implementing and auditing to ensure we are complying with government safety guidelines. All of our shops have sanitisation stations, customers are asked to wear a face covering, the till area is protected by safety screens, one way systems are in place where possible and shops are operating with restricted customer numbers to ensure social distancing. The service has also developed Covid-19 risk assessments for every area of the department. We will continue to adhere to all government and industry advice throughout 2021-22.

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

### **STRATEGIC REPORT – Strategic Objectives 2021/22**

Our main purpose is to continue to deliver outstanding care to patients, children, young adults and their families during Covid-19 and beyond.

In addition, the following objectives have been designed to make sure that we do three things - Survive the current situation, Strive to improve so that we can Thrive in a post-COVID world. In the coming year, we'll be embedding these objectives in to the organisation so that every staff member knows how they are contributing to delivering our strategic objectives.

#### **SURVIVE**

Maintain safety and quality of care at all levels, including:

- Continue service delivery across all Hospice services.
- Maintain patient, carer, staff and volunteer safety regarding COVID 19 following national and local infection control guidance.

Maintain sufficient cash flow to keep us operational, including:

- Limit year end loss position to less than £470k for the 2021/22 financial year
- Implement a swift cost savings exercise.

#### **STRIVE**

Develop flexible, high quality and innovative services, including:

- Develop services that meet patient, carer, staff and volunteer needs post COVID
- within budgetary constraints.
- Develop volunteer roles to deliver flexible and innovative services.
- Improve systems and processes and use digital solutions to support all our work.
- Embed coaching approach to support values led organisation.

Deliver the agreed budget and income, including:

- Re-model the business plan to achieve the agreed deficit budget for 2021/22, within our reserves policy limits.

#### **THRIVE**

Deliver an outstanding quality of care, including:

- Achieve CQC Outstanding in Care and minimum good in other areas
- Continue to develop flexible and innovative services that meet patient, carer, staff and volunteer needs post COVID within budgetary constraints.

Be financially fit for the future, which will include:

- Achieve the agreed budget for 2022/23.
- Establish a development fund for investment in equipment, projects and people.

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

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

### **STRATEGIC REPORT – FINANCIAL PERFORMANCE**

#### **Summary of Financial Performance**

After a most unusual year both financially and operationally, we are pleased to report a positive financial result for the year to 31 March 2021 of £886,955 surplus (2020: £815,474 surplus) as detailed in the Statement of Financial Activities on page 42.

In what could have been a precarious year for the charity's financial position, due to restrictions on Fundraising and Retail activities and the ever changing and uncertain environment, we were supported throughout by some very generous and beneficial one-off occurrences:

- i. Our supporters – an emergency appeal was launched at the start of the year, and the friends of the Hospice answered the call, generating £362k unrestricted income with minimal associated costs.
- ii. Fundraising – the team rose to the challenge of revising the programme of campaigns and events, to exceed the net Fundraising target for the year.
- iii. Legacies – for the second year in a row legacy income is extremely high with one major legacy totalling £925k being recognised as income in the year. The overall total legacy income is £1,799k.
- iv. Retail – being responsive to the ever-changing environment was a theme throughout 2020/21. The department accessed retail grants totalling £284k and rates relief worth £52k.
- v. Job retention scheme grant income supported the furloughing of staff, with £731k being claimed in the year.
- vi. NHS England grant income via Hospice UK of £1,551k, as consideration for providing clinical capacity during the pandemic.

We recognise that these funding streams are all non-recurring and linked to Covid-19 support, and therefore can't be relied upon in the coming years. A cautious five year plan to re-build the core financial model and guide the Hospice out of the pandemic has been developed, which ensures that the hospice finances remain sustainable and reserves are maintained within acceptable limits (details of our reserves policy is on page 31). This positive result for 2020/21 does, however, provide a firm footing on which to start this process.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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

**Financial Performance in Detail**

For the year ended 31 March 2021 the organisation recorded a net surplus, including grants but before accounting for movements in our investments, of £721,343 (2019/20: £955,918 ).

Total incoming resources for the year decreased by 8.5% (2019/20: increase of 16.0%) to £13,445,189. Total resources expended decreased by 7.4% (2019/20: increase of 4.8%) to £12,723,846.

During 2020/21 £2,208,210 (2019/20: £957,623) was gratefully received in grants and donations to cover specific projects. This is shown in the financial statements as “restricted income”, and the appropriate expense is shown against it as “restricted expense”. This differentiates it from the normal ongoing operations of the Hospice, which is named “general” income and expense. Unusually, in 2020/21, a large restricted grant of £1,550,709 was received from NHS England (via Hospice UK) which was funding towards the ongoing operations of the clinical services. The purpose of the funding was to allow the hospice to make available bed capacity and community support and to provide support to people with complex needs in the context of the Covid-19 situation. Therefore, a significant portion of expenditure which would ordinarily be funded from unrestricted funds was instead supported by the restricted fund.

Taking this into consideration, the financial effect of the ongoing operations of the Hospice funded by unrestricted income is shown in the table below:

	<b><u>2020/21</u></b>	<b><u>2019/20</u></b>	<b><u>Movement</u></b>
General income	11,236,979	13,733,438	(2,496,459)
General expenditure	(10,359,001)	(12,633,886)	2,274,885
Net (expenditure) /income before movement on investments	877,978	1,099,552	(221,574)

**Incoming Resources**

Income is categorised as Generated Income or Income from Charitable Activities, and for the first time in 2020/21 a separate category is included on the face of the Consolidated Statement of Financial Activities of Job Retention Scheme grant income; more detail about which is outlined below:

**Incoming Resources from Generated Funds**

Donations and income from regular givers totalled £1,701,759 (2019/20: £1,985,838) of which £382,863 was restricted (2019/20: £739,638). For a second year running, legacy income was extremely high in the year at £1,798,558 (2019/20: £2,224,091). In 2020/21 £283,909 in retail grants were recognised, as financial support to retail outlets forced to close as a result of the Covid-19 restrictions imposed at various stages throughout the year.

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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

Income from other trading activities was understandably lower this year as a result of these restrictions and hence raised £2,744,723 (2019/20: £5,880,578).

St Oswald's Hospice Promotions Limited is our trading subsidiary, and this year was able to gift aid £810,407 (2019/20: £889,649) to the parent charity. The subsidiary's main activity is the Hospice lottery and hosting the Elmer Art Trail in 2019.

Investment income, comprising interest and dividends received was £55,343 for the year (2019/20: £46,915).

Other income of £180 is from the sale of scrap metal.

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

As in previous years our charitable activities received partial funding from the NHS and local social services, totalling £6,129,985 in the year (2019/20: £4,553,639). Work continues locally and nationally to try to improve the levels of funding received for each of our charitable services.

Income for adult inpatient services from block contracts with NHS bodies totals £1.73 million (2019/20: £1.94 million). However in addition, the hospice welcomed the restricted grant of £1.55 million (2019/20: £nil) from NHS England via Hospice UK for available bed capacity and community support throughout the pandemic.

As in previous years a grant was received from NHS England in the year of £274,638 (2019/20: £217,985), under Section 64 of the Health Services and Public Health Act 1968, to support the activities of our Children's Service, in addition to a payment per night for each child or young adult accommodated.

Income for Adult Day Services is generated by fees for the provision of lymphoedema services for outpatients. Lymphoedema income for 2020/21 was £1.61 million (2019/20: £1.49 million)

### **Job Retention Scheme Grant Income**

During the 2020/21 financial year it was necessary for the hospice to furlough some members of staff, particularly within the Retail, Fundraising and Support Services teams, under the government's Job Retention Scheme. Grant income claimed from the scheme totalled £730,732 (2019/20: £nil).

### **Resources Expended**

Resources Expended are classified as either Cost of Raising Funds, or Cost of Charitable Activities, of which a more detailed description is provided overleaf.

In accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in January 2015, costs of support services are shown relating to our direct charitable services. The costs of Human Resources, Corporate Services, Information Systems and Finance departments have been allocated to

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

### STRATEGIC REPORT – FINANCIAL PERFORMANCE (continued)

each of the direct service departments or income generation departments. The allocation is calculated according to the most appropriate measure of usage for each area of expenditure. Note 10: Analysis of Support Costs gives greater understanding of the costs incurred and their allocation.

#### Costs of Raising Funds

The cost of raising funds totalled £3,917,073 overall (2019/20: £4,713,622). Notably, the decrease in expenditure is due to the reduced expenditure on fundraising retail activities, which were curtailed in the year due to Covid-19 restrictions.

#### Costs of Charitable Activities

Expenditure on our charitable activities of £8,806,773 (2019/20: £9,021,521), including property costs, depreciation charges and support costs, represents 69.2% of total expenditure (2019/20: 65.7%). Staff costs remain by far the greatest type of expenditure incurred.

#### Balance Sheet

The Balance Sheet at 31 March 2021 shows funds of £15,448,000 (2020: £14,561,045) of which £10,047,445 is represented by fixed tangible and investment assets (2020: £10,254,578). 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	2020/21	2019/20
Value of free reserves	£000's	6,146	6,394	5,349
Expenditure variance from budget	%	<5%	(4%)	4%
Retail profit	pence in £	27	(22)	21
Fundraising expenditure ratio	pence in £	35	37	33
Staff turnover	%	<5.00%	9.55%	3.54%
Completed staff appraisal returns	%	100%	86%	99%
Adult inpatient occupancy	%	84%	67%	81%
Children and young adults occupancy	%	85%	78%	93%

A number of the KPIs reported above fall short of target, largely as a result of circumstances linked to the Covid-19 pandemic:

Retail profit (pence in £) is significantly adverse to target in 2020/21 as a result of the shop closures during lockdown throughout the year.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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

Staff turnover was higher than target, and the reason is partly due to a number of redundancies made during the year and is also thought to be linked to employees' change in circumstances resulting from the pandemic.

Staff appraisal returns, whilst high, are lower than target for multiple reasons, mainly covid driven. These include a small number of staff on furlough who were therefor unable to complete the return, and less capacity to chase and monitor returns in some departments.

Occupancy within the Adults and Children and Young Adults was reduced as people remained at home particularly at the start of the pandemic.

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

### **STRATEGIC REPORT – Regulatory statements**

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

#### **Investment Policy and Performance**

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

Once again this year no sales were made from the investment portfolio (2019/20: £nil sold). Dividend income is paid over to the Hospice as it is received. The portfolio declined in value at the start of the financial year uncertainty surrounding the global pandemic. The value has since steadily recovered by £166k during the course of the year, as detailed in Note 16 of the financial statements.

The average return on our cash deposits was 0.1% (2019/20 0.1%). The Bank of England base remained at 0.1% throughout the year.

#### **Reserves Policy**

Strategic financial 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. Our plans highlight the pressures and uncertainties placed on our resources by changes in the fundraising and retail environments, the NHS, and changes in the demand for our various services, alongside our continued reliance on potentially volatile sources of income such as legacies. To counter these pressures we hold reserves to protect our ongoing commitment to beneficiaries to ensure we meet our contractual obligations and to provide a platform for our continuing activities. Where we feel it is appropriate, and we consider we have sufficient free reserves to allow, we will invest our reserves in capital assets to maintain or enhance 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.

Our acceptable range of free reserves is reviewed annually by the Audit and Finance Committee and for this year the range is considered to be between £3.1 million and £9.2 million. Within this broad range, we have a target of £6.1 million, which we consider a reasonable amount to ensure the longer-term viability of the charity.



## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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

As at 31 March 2021, our accumulated general funds stood at £9,877,975 (2020: £8,874,179). 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 2021 were £6,393,642 (2020: £5,173,908).

Although free reserves are above our target of £6.1 million, we recognise that a significant reason for this is the one-off funding which has been made available to the Hospice, to support it through the pandemic. This included restricted funding which was used to cover costs which ordinarily would have been funded from general reserves. Cost restraint also continues, with no pay award for staff awarded in year for the second year in a row and future recurring staffing costs reduced by almost £300k per annum from April 2021.

Our five year forecast has been entirely revised, to cautiously guide the Hospice out of the pandemic, rebuilding Retail and Fundraising capacity over this timeframe. This has meant that we have had to expect a deficit financial result in the next few years, but this has been carefully planned with reference to the reserves balance, ensuring that at no point is the minimum acceptable level of free reserves breached.

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

The Hospice designates certain reserves for specific purposes. Trustees approve a list of designated reserves each year. The total at 31 March 2021 was £63k (2020: £68k). 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 the past year 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 to that which is absolutely necessary, and where general reserves are utilised in the near future, aspire to return the level of reserves over the longer term. In particular, any new initiatives and projects undertaken by Hospice staff must be self-funding, rather than drawing on reserves. Plans for Fundraising and Retail strategies for future years remain fluid and responsive to government restrictions and social distancing measures. We expect this will have an adverse effect on our income, and so adjustments have been made to our operations to reduce expenditure, while aiming to maintain delivery of all the services we provide.

### **Going Concern**

The Trustees are aware of the ongoing risk to income from Covid-19. Steps are being taken to ensure that the charity's core recurring expenditure is covered by the reduced income anticipated in the coming year. The cautious five year plan

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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

mentioned above will be our guide to safeguarding the Hospice's financial security, and includes an Income and Expenditure Statement and a cashflow forecast to March 2023. Contingency plans, however, are in place to adjust the charity's obligations should it be required in the future. As such, we have an expectation that the charity has adequate reserves to continue its operations for the foreseeable future.

We are aware that the full long term impact of Covid-19 is still to be seen and acknowledge it is a test to any organisation's Reserves Policy. The financial position of the charity is under constant review, and action will be taken as needed to preserve the financial stability of the Hospice; the Risk Register is regularly reviewed and updated to reflect the new exposures faced. Therefore, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

**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.

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

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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

**Auditor**

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

**By order of the Board**



**M Liston**  
**Chair**

29/09/21

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

**FINANCIAL STATEMENTS**

**For the Year Ended**

**31 March 2021**

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

### **Opinion**

We have audited the financial statements of St Oswald's Hospice Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Trustees' Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Annual Report. Our opinion on the financial statements does not cover the other

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

### **Other information (continued)**

information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 34, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Responsibilities of trustees (continued)**

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

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

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;



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

**The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, the parent charitable company's governing document (articles of association), tax legislation and Charities (Protection and Social Investment) Act 2016.

We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Care Act 2014. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and reviewing income transactions around the year end to consider if it is recorded in the correct period.

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

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

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

**Use of our report**

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



**LUCY ROBSON (Senior Statutory Auditor)**

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

Date



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

**FOR THE YEAR ENDED 31 March 2021**

	Notes	General funds	Restricted funds	Total 2021	Total 2020
Income and Expenditure		£	£	£	£
<b>Income from:</b>					
Donations and legacies	2	3,401,363	382,863	3,784,226	4,209,929
Other trading activities	3	2,744,723	-	2,744,723	5,880,578
Investments	5	55,343	-	55,343	46,915
Charitable activities	6	4,304,638	1,825,347	6,129,985	4,553,639
Other Income		180	-	180	-
Coronavirus Job Retention Scheme Grant		730,732	-	730,732	-
<b>Total income</b>		<u>11,236,979</u>	<u>2,208,210</u>	<u>13,445,189</u>	<u>14,691,061</u>
<b>Expenditure:</b>					
Raising funds: other trading activities:					
Voluntary Income	7	294,859	-	294,859	615,304
Cost of activities for generating funds	7	3,613,375	-	3,613,375	4,037,523
Investment Management Fees		8,839	-	8,839	60,795
Cost of Charitable Activities	8	<u>6,441,928</u>	<u>2,364,845</u>	<u>8,806,773</u>	<u>9,021,521</u>
<b>Total Expenditure</b>		<u>10,359,001</u>	<u>2,364,845</u>	<u>12,723,846</u>	<u>13,735,143</u>
<b>Net income/(expenditure) before movement in investments</b>		877,978	(156,635)	721,343	955,918
Gain/(Loss) on investment assets	16	<u>165,612</u>	<u>-</u>	<u>165,612</u>	<u>(140,444)</u>
<b>Net movement in funds</b>		<b>1,043,590</b>	<b>(156,635)</b>	<b>886,955</b>	<b>815,474</b>
Total funds brought forward					
at 1 April 2020	22	9,049,310	5,511,735	14,561,045	13,745,571
Transfers between funds	22	17,500	(17,500)	-	-
<b>Total funds carried forward at 31 March 2021</b>	<b>22</b>	<b><u>10,110,400</u></b>	<b><u>5,337,600</u></b>	<b><u>15,448,000</u></b>	<b><u>14,561,045</u></b>

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

The notes on pages 46 to 80 form part of these financial statements.


**BALANCE SHEET AS AT 31 March 2021**

**Group/Hospice**

		<b>Group</b>		<b>Hospice</b>	
	<b>Notes</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed Assets</b>					
Tangible assets	15	8,821,933	9,212,006	8,821,933	9,212,006
Investments	16	1,225,512	1,042,572	1,225,514	1,042,574
Long term deposit		-	-	-	-
		<u>10,047,445</u>	<u>10,254,578</u>	<u>10,047,447</u>	<u>10,254,580</u>
<b>Current Assets</b>					
Stocks		21,068	20,306	19,558	20,306
Debtors	17	3,667,361	3,282,300	3,665,850	3,266,680
Short term deposit		-	-	-	-
Cash at bank and in hand		<u>2,954,446</u>	<u>1,735,798</u>	<u>2,697,200</u>	<u>1,535,477</u>
		<u>6,642,875</u>	<u>5,038,404</u>	<u>6,382,608</u>	<u>4,822,463</u>
<b>Creditors:</b>					
<b>Amounts falling due within one year</b>	18	<u>(1,242,320)</u>	<u>(731,937)</u>	<u>(1,214,480)</u>	<u>(691,129)</u>
<b>Net current assets</b>		<u><b>5,400,555</b></u>	<u><b>4,306,467</b></u>	<u><b>5,168,128</b></u>	<u><b>4,131,334</b></u>
<b>Total assets less current liabilities</b>		15,448,000	14,561,045	15,215,575	14,385,914
<b>Provisions for liabilities</b>	19	-	-	-	-
<b>Net assets</b>		<u><b>15,448,000</b></u>	<u><b>14,561,045</b></u>	<u><b>15,215,575</b></u>	<u><b>14,385,914</b></u>
<b>Funds</b>					
Unrestricted funds:					
General funds	22	9,877,975	8,874,179	9,877,975	8,874,179
Non-Charitable Trading Reserve	22	<u>232,425</u>	<u>175,131</u>	-	-
		10,110,400	9,049,310	9,877,975	8,874,179
Restricted funds	22	<u>5,337,600</u>	<u>5,511,735</u>	<u>5,337,600</u>	<u>5,511,735</u>
<b>Total funds</b>		<u><b>15,448,000</b></u>	<u><b>14,561,045</b></u>	<u><b>15,215,575</b></u>	<u><b>14,385,914</b></u>

The net surplus before recognised gains and losses for the unconsolidated entity St Oswald's Hospice Limited was £829,658 (2020: net surplus £719,978).

The financial statements of St Oswald's Hospice Limited (registered number 01166239) on pages 36 to 80 were approved by the members of the Board of Trustees on 29 September 2021 and signed and authorised for issue on their behalf by:

  
**M Liston**  
Chair

  
**B Hedley**  
Treasurer

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 March 2021**

	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net cash inflow / (outflow) from operating activities		1,284,260		(89,991)
<b>Cash flows from investing activities:</b>				
Dividend, interest and rents from investments received	55,343		46,915	
Purchase of tangible fixed assets	(103,627)		(294,674)	
Proceeds of sale of investments	502,162		891,088	-
Purchase of investments	<u>(489,015)</u>		<u>(878,709)</u>	-
Net cash (used in)/from investing activities		(35,137)		(235,380)
(Increase)/Decrease in cash held in portfolio		<u>(30,475)</u>		<u>38,417</u>
<b>Net cash increase/(decrease)</b>		<u><u>1,218,648</u></u>		<u><u>(286,954)</u></u>

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net incoming / (outgoing) resources	721,343	955,918
Depreciation	491,596	560,769
Investment income	(55,343)	(46,915)
Loss on sale of Fixed Assets	2,104	-
(Increase) / decrease in stocks	(762)	13,887
(Increase) in debtors	(385,061)	(1,129,492)
Increase / (decrease) in creditors	<u>510,383</u>	<u>(444,158)</u>
	<u><u>1,284,260</u></u>	<u><u>(89,991)</u></u>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 March 2021 (continued)**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Increase/(Decrease) in cash in the year	<u>1,218,648</u>	<u>(286,954)</u>
Movement in net funds in the year	1,218,648	(286,954)
Net funds at 1 April 2020	<u>1,735,798</u>	<u>2,022,752</u>
<b>Net funds at 31 March 2021</b>	<u>2,954,446</u>	<u>1,735,798</u>

	<b>Opening net funds 1/4/20</b>	<b>Cash Flow</b>	<b>Closing net funds 31/03/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>1,735,798</u>	<u>1,218,648</u>	<u>2,954,446</u>
	1,735,798	1,218,648	2,954,446

## **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.

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. While the full effect of Covid-19 is yet to be seen, we are aware that it is a test to any organisation's Reserves Policy. The financial position of the charity is under constant review, and action will be taken as needed to preserve the financial stability of the Hospice; the Risk Register has also been updated to reflect the new exposures faced. We have prepared a conservative business plan for 2021/22, which includes an Income and Expenditure Statement and a cashflow forecast to March 2023, and have reviewed the organisation's resources. As such, we have an expectation that the charity has adequate

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

reserves to continue its operations for the foreseeable future. Therefore, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**(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 Trustees, 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, it is probable probate will be received and the amount receivable can be defined with reasonable accuracy.

**(f) Deferred income**

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



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

**(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.

**(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.

Grants received under the Coronavirus Job Retention Scheme are recognised in the period to which the claim relates.

**(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

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

the year under both schemes are charged to the Statement of Financial Activities.

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

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

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

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

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

### **(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% - 100% 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.

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

Unrealised gains and losses relating to movements in market value of investments are recognised in the Statement of Financial Activities.

### **(p) Stocks**

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

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

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

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

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

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

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

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

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

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

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

### **Reduced Disclosures**

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

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

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

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

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

**Critical areas of judgement**

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

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. DONATIONS AND LEGACIES

	General funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Donations	1,318,896	382,863	1,701,759	1,985,838
Legacies	1,798,558	-	1,798,558	2,224,091
Retail grants	283,909	-	283,909	-
<b>Total</b>	<b>3,401,363</b>	<b>382,863</b>	<b>3,784,226</b>	<b>4,209,929</b>
<b>2020 Total</b>	<b>3,470,291</b>	<b>739,638</b>	<b>4,209,929</b>	

St Oswald's Hospice Limited has an established team of volunteers who offer their time to each department across both the Trading Company and the Charity. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts. The current headcount is in the region of 200 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 2021	Total 2020
	£	£	£	£
Special events	523,110	-	523,110	1,084,884
Sale of donated goods	919,939	-	919,939	2,984,316
Catering sales	15,163	-	15,163	40,342
Trading subsidiary income (Note 4)	1,286,511	-	1,286,511	1,771,036
<b>Total incoming resources from other trading activities</b>	<b>2,744,723</b>	<b>-</b>	<b>2,744,723</b>	<b>5,880,578</b>

Income from the sale of donated goods has significantly decreased in comparison to the previous year, due to shop closures during lockdowns throughout 2020/21.

Income from special events has increased compared to the prior year because the 2020 figures include auction proceeds from the Elmer Art Trail, which was a one off event.

The income from Other Trading activities in both years all relates 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 2021 £</b>	<b>Total 2020 £</b>
Turnover	1,286,511	1,771,036
Cost of sales	(208,325)	(519,156)
Gross profit	1,078,186	1,251,880
Administrative expenses	(210,486)	(266,733)
Operating profit	867,700	985,147
Interest receivable	-	-
Profit on ordinary activities	<b>867,700</b>	<b>985,147</b>

The net assets of the subsidiary at 31 March 2021 amounted to £232,426 (2020: £175,133).

### 5. INVESTMENTS

	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Dividends received	55,308	44,649
Interest received - charity	35	2,266
	<b>55,343</b>	<b>46,915</b>

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

The income from investments in 2021 and 2020 all related to unrestricted funds.

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

**6. CHARITABLE ACTIVITIES**

	<b>General funds</b>	<b>Restricted funds</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Public Authority contributions:				
Adult inpatient services	1,729,515	1,550,709	3,280,224	1,939,077
Adult day care services	1,613,541	-	1,613,541	1,487,738
Children & Young Adults' services	864,187	274,638	1,138,825	1,031,229
Medical outreach	71,722	-	71,722	73,483
Educational activities	548	-	548	5,006
Other professional income	25,125	-	25,125	17,106
<b>Total</b>	<b>4,304,638</b>	<b>1,825,347</b>	<b>6,129,985</b>	<b>4,553,639</b>
<b>2020 Total</b>	<b>4,335,654</b>	<b>217,985</b>	<b>4,553,639</b>	

Within the restricted income for 2021 is a one-off grant of £1,550,709 (2020: £nil) from NHS England, which was administered by Hospice UK, to allow the hospice to make available bed capacity and community support to provide support to people with complex needs in the context of the COVID-19 situation.

Also included in restricted income is a grant of £274,638 (2020: £217,985) received from the Department of Health for Children and Young Adults' services.

**7. Raising funds: Other trading activity**

	<b>Direct Activity</b>	<b>Restricted funds</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Costs relating to donations & legacies	294,859	-	294,859	615,304
Event costs	597,099	-	597,099	476,773
Sale of donated goods	2,456,403	-	2,456,403	2,641,439
Catering and other sales	141,062	-	141,062	133,422
Costs of trading subsidiary (Note 4)	418,811	-	418,811	785,889
Investment management fees	8,839	-	8,839	60,795
<b>Total</b>	<b>3,917,073</b>	<b>-</b>	<b>3,917,073</b>	<b>4,713,622</b>
<b>2020 Total</b>	<b>4,713,622</b>	<b>-</b>	<b>4,713,622</b>	

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

**8. COSTS OF CHARITABLE ACTIVITIES**

	<b>General funds</b>	<b>Restricted funds</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Adult inpatient services	1,727,169	1,571,219	3,298,388	3,186,024
Adult day care services	1,984,745	186,525	2,171,270	2,420,638
Children & Young Adults' services	1,809,153	486,183	2,295,336	2,094,573
Bereavement Centre	155,778	100,431	256,209	174,607
Medical outreach	110,380	-	110,380	126,444
Strategic projects	175,062	15,874	190,936	332,093
Education activities	196,080	4,613	200,693	195,322
Governance costs	283,561	-	283,561	491,820
<b>Total costs of charitable activities</b>	<b>6,441,928</b>	<b>2,364,845</b>	<b>8,806,773</b>	<b>9,021,521</b>
<b>2020 Total</b>	<b>7,920,264</b>	<b>1,101,257</b>	<b>9,021,521</b>	

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

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

	<b>Group 2021</b>	<b>Hospice 2021</b>	<b>Group 2020</b>	<b>Hospice 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Depreciation	491,596	491,596	560,769	560,769
Audit fees	20,000	17,250	15,000	13,000
Other auditors' remuneration	775	-	1,000	1,000
Internal audit fees	-	-	4,000	4,000
Operating lease charges (land & buildings)	455,340	452,884	453,981	453,981
Pension costs	574,393	566,897	589,204	580,881
Loss on disposal fixed assets	2,104	2,104	-	-



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

**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 £
<b>Donations &amp; Legacies</b>	10,000	21,814	23,865	37,673	93,352
<b>Commercial trading activities:</b>					
Event costs	3,575	7,798	8,530	13,466	33,369
Sale of donated goods	38,671	84,359	92,286	145,685	361,001
Catering sales	4,228	9,222	10,089	15,927	39,466
	<u>56,474</u>	<u>123,193</u>	<u>134,770</u>	<u>212,751</u>	<u>527,188</u>
<b>Charitable activities</b>					
Adult inpatient services	26,915	58,713	64,231	101,396	251,255
Adult day services	15,555	33,932	37,120	58,599	145,206
Children's services	25,566	55,771	61,012	96,315	238,664
Medical outreach	3,863	8,427	9,219	14,553	36,062
Educational activities	2,316	5,053	5,528	8,726	21,623
Bereavement Centre	2,472	5,393	5,900	9,313	23,078
Strategic projects	1,725	3,763	4,117	6,498	16,103
Governance	4,257	9,286	10,159	16,037	39,739
	<u>82,669</u>	<u>180,338</u>	<u>197,286</u>	<u>311,437</u>	<u>771,730</u>
<b>Total allocated support costs</b>	<b><u>139,143</u></b>	<b><u>303,531</u></b>	<b><u>332,056</u></b>	<b><u>524,188</u></b>	<b><u>1,298,918</u></b>

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

**11. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	<b>Direct Activity Costs</b>	<b>Support Costs (Note 10)</b>	<b>Depreciation</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Voluntary</b>	<u>200,768</u>	<u>93,352</u>	<u>739</u>	<u>294,859</u>	<u>615,304</u>
<b>Cost of activities for generating funds:</b>					
Event costs	562,960	33,369	770	597,099	476,773
Sale of donated goods	2,043,078	361,001	52,324	2,456,403	2,641,439
Catering and other sales	84,637	39,466	16,959	141,062	133,422
Costs of trading subsidiary (Note 4)	<u>418,811</u>	<u>-</u>	<u>-</u>	<u>418,811</u>	<u>785,889</u>
	<u>3,109,486</u>	<u>433,836</u>	<u>70,053</u>	<u>3,613,375</u>	<u>4,037,523</u>
Investment management fees	<u>8,839</u>	<u>-</u>	<u>-</u>	<u>8,839</u>	<u>60,795</u>
<b>Total cost of activities for generating funds</b>	<b><u>3,118,325</u></b>	<b><u>433,836</u></b>	<b><u>70,053</u></b>	<b><u>3,622,214</u></b>	<b><u>4,098,318</u></b>
<b>Charitable activities:</b>					
Provision of hospice services:					
Adult inpatient services	2,892,621	251,255	154,512	3,298,388	3,186,024
Adult day services	1,903,644	145,206	122,420	2,171,270	2,420,638
Children and Young Adults' services	1,950,565	238,664	106,107	2,295,336	2,094,573
Bereavement Centre	219,883	36,062	264	256,209	174,607
Medical outreach	88,610	21,623	147	110,380	126,444
Strategic projects	167,712	23,078	146	190,936	332,093
Educational activities	<u>184,450</u>	<u>16,103</u>	<u>140</u>	<u>200,693</u>	<u>195,322</u>
	<u>7,407,485</u>	<u>731,991</u>	<u>383,736</u>	<u>8,523,212</u>	<u>8,529,701</u>
Governance costs	243,605	39,739	217	283,561	491,820
<b>Total</b>	<b><u>10,970,183</u></b>	<b><u>1,298,918</u></b>	<b><u>454,745</u></b>	<b><u>12,723,846</u></b>	<b><u>13,735,143</u></b>

Governance costs comprise mainly the proportion of the costs of the Hospice Management Team and associated members of staff which relate to governance activities.

**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 (2020: £Nil).

The amount of expenses reimbursed to Trustees during the year was £Nil (2020: £Nil).

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

**13. STAFF COSTS - GROUP**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	7,667,519	7,838,864
Social security costs	648,325	654,141
Pension costs	574,393	589,204
Redundancy costs	32,343	-
Staff costs	<b>8,922,580</b>	<b>9,082,209</b>

There were six employees during the year (2020: five) whose emoluments amounted to over £60,000. Of these employees, three (2020: three) were consultants or senior medical staff, including the highest paid member of staff in each year. These staff can be analysed as follows:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	3	1
£70,001 - £80,000	-	2
£80,001 - £90,000	2	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-

Pension contributions made in respect of those staff classified as higher paid employees were £36,215 (2020: £43,754) in aggregate. Of these staff three were accruing benefits under a defined contribution scheme (2020: one) and two were accruing benefits under a defined benefit scheme (2020: four).

	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>Number</b>	<b>Whole time Equivalent Number</b>	<b>Number</b>	<b>Whole time Equivalent Number</b>
<b>Staff breakdown:</b>				
Direct charitable services	198	157	214	160
Support services	30	23	27	23
Management and administration	7	7	7	7
Fundraising and publicity	32	25	33	30
Trading activities (including subsidiary)	70	63	78	67
	<b>337</b>	<b>275</b>	<b>359</b>	<b>287</b>

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

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

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.

#### **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 £480,756 (2020: £464,161).

The key management personnel of the charity comprise the Trustees and 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 (retired 30 June 2020)

Ms S Edusei (appointed 1 May 2020)

Mrs HA Eadington

Mrs A Ball

Mrs K MacLaren

### **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 (2020: £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 2020	11,110,375	1,048,972	96,808	2,957,790	15,213,945
Disposals	-	(320,919)	(3,270)	(57,369)	(381,558)
Additions	-	-	-	103,627	103,627
Prior year reclassifications	54,152	-	25,982	(45,652)	34,482
<b>31 March 2021</b>	<b>11,164,527</b>	<b>728,053</b>	<b>119,520</b>	<b>2,958,396</b>	<b>14,970,496</b>
<b>Depreciation</b>					
1 April 2020	2,861,262	940,123	72,589	2,127,965	6,001,939
Disposals	-	(320,554)	(3,271)	(55,629)	(379,454)
Charge for the year	165,289	40,559	9,688	276,060	491,596
Prior year reclassifications	42,689	209	25,982	(34,398)	34,482
<b>31 March 2021</b>	<b>3,069,240</b>	<b>660,337</b>	<b>104,988</b>	<b>2,313,998</b>	<b>6,148,563</b>
<b>Net book value:</b>					
<b>31 March 2021</b>	<b>8,095,287</b>	<b>67,716</b>	<b>14,532</b>	<b>644,398</b>	<b>8,821,933</b>
31 March 2020	8,249,113	108,849	24,219	829,825	9,212,006

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 2020	11,110,375	1,048,972	96,808	2,949,290	15,205,445
Disposals	-	(320,919)	(3,270)	(57,369)	(381,558)
Additions	-	-	-	103,627	103,627
Prior year reclassifications	54,152	-	25,982	(54,152)	25,982
<b>31 March 2021</b>	<b>11,164,527</b>	<b>728,053</b>	<b>119,520</b>	<b>2,941,396</b>	<b>14,953,496</b>
<b>Depreciation</b>					
1 April 2020	2,861,262	940,123	72,589	2,119,465	5,993,439
Disposals	-	(320,554)	(3,271)	(55,629)	(379,454)
Charge for the year	165,289	40,559	9,688	276,060	491,596
Prior year reclassifications	42,689	209	25,982	(42,898)	25,982
<b>31 March 2021</b>	<b>3,069,240</b>	<b>660,337</b>	<b>104,988</b>	<b>2,296,998</b>	<b>6,131,563</b>
<b>Net book value:</b>					
<b>31 March 2021</b>	<b>8,095,287</b>	<b>67,716</b>	<b>14,532</b>	<b>644,398</b>	<b>8,821,933</b>
31 March 2020	8,249,113	108,849	24,219	829,825	9,212,006

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 15. TANGIBLE FIXED ASSETS (continued)

The fixed asset register has been reviewed in the year and assets no longer in use have been reflected as disposals.

### 16. INVESTMENTS HELD AS FIXED ASSETS

	Listed £	Group Unlisted £	Total £	Listed £	Hospice Unlisted £	Total £
<b>Listed investments</b>						
Value at 1 April 2020	1,024,968	-	1,024,968	1,024,968	2	1,024,970
Additions	489,015	-	489,015	489,015	-	489,015
Disposals	(502,162)	-	(502,162)	(502,162)	-	(502,162)
Net investment gain	165,612	-	165,612	165,612	-	165,612
<b>Value at 31 March 2021</b>	<b>1,177,433</b>	<b>-</b>	<b>1,177,433</b>	<b>1,177,433</b>	<b>2</b>	<b>1,177,435</b>
At 1 April 2020	17,604	-	17,604	17,604	-	17,604
Movements in cash	30,475	-	30,475	30,475	-	30,475
<b>At 31 March 2021</b>	<b>48,079</b>	<b>-</b>	<b>48,079</b>	<b>48,079</b>	<b>-</b>	<b>48,079</b>
<b>31 March 2021</b>	<b>1,225,512</b>	<b>-</b>	<b>1,225,512</b>	<b>1,225,512</b>	<b>2</b>	<b>1,225,514</b>
31 March 2020	1,042,572	-	1,042,572	1,042,572	2	1,042,574

All of the investments are unrestricted.

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

	Group	
	2021	2020
	%	%
UK fixed interest	27.3%	31.8
UK equities	50.2%	50.6
Overseas equities	18.6%	15.9
Alternative investments	0.0%	0.0
Cash	3.9%	1.7
	<u>100.0</u>	<u>100.0</u>
	Group	
	2021	2020
	£	£
Historical cost of listed investments at 31 March	<u>1,166,015</u>	<u>784,545</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>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	330,279	286,553	322,984	275,891
Prepayments	318,418	297,637	315,048	296,900
VAT Debtor	77,074	96,455	86,228	92,232
Accrued income	2,938,690	2,598,757	2,938,690	2,598,757
Other Debtor	2,900	2,898	2,900	2,900
	<b><u>3,667,361</u></b>	<b><u>3,282,300</u></b>	<b><u>3,665,850</u></b>	<b><u>3,266,680</u></b>

Accrued income includes legacy income notified but not received at year end of £2,576,168 (2020: £1,993,053). Trade debtors relate mainly to sources of statutory income and levels vary across the year depending on timing of invoicing.

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

	<b>Group</b>		<b>Hospice</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	487,268	184,295	484,092	179,667
Amounts owed to subsidiary undertaking	-	-	25,298	6,303
Taxation and social security costs	215,649	149,433	215,649	149,433
Deferred income	155,028	161,115	121,556	122,983
Other creditors	123,324	102,164	123,324	102,164
Accruals	261,051	134,930	244,561	130,579
	<b><u>1,242,320</u></b>	<b><u>731,937</u></b>	<b><u>1,214,480</u></b>	<b><u>691,129</u></b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Group deferred income in 2021 includes £10,000 relating to grant income received but not recognised as income in the year (2020: £30,000). The balance also includes £ 109,556 paid by participants to enter the overseas trek challenge event which had to be postponed as a result of Covid-19 (2020: £92,043). The remaining balance is payments made in advance by players of the lottery. The movement in group deferred income is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Deferred income brought forward	161,115	414,044
Payments received	2,233,117	669,911
Income recognised	<u>(2,239,204)</u>	<u>(922,840)</u>
Deferred income carried forward	<u>155,028</u>	<u>161,115</u>

## 19. PROVISIONS FOR LIABILITIES AND CHARGES

### Group and Hospice

There were no provisions made relating to liabilities during the year ended 31 March 2021.

## 20. CONTINGENT LIABILITIES

During the year, the Hospice received £500 from a local solicitor's firm which was the distribution of dormant client funds totalling £500, and was recorded as voluntary income. Similarly in the year ended 31 March 2014, the Hospice received £26,972 of dormant client funds, also from another local solicitor's firm. Trustees consider it unlikely that either of the sums noted will be repayable but the Hospice has indemnified the solicitors' firms for the amounts recorded, and consequently notes a contingent liability for the same total amount.

## 21. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

<b>At March 2021</b>	<b>General Funds</b>	<b>Restricted Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	3,484,333	5,337,600	8,821,933
Fixed asset investments	1,225,512	-	1,225,512
Current assets	6,642,875	-	6,642,875
Current liabilities	<u>(1,242,320)</u>	<u>-</u>	<u>(1,242,320)</u>
<b>Total net assets</b>	<b><u>10,110,400</u></b>	<b><u>5,337,600</u></b>	<b><u>15,448,000</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 2021 were £6,393,642 (2020: £5,173,908).



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

<b>At March 2020</b>	<b>General Funds</b>	<b>Restricted Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	3,700,271	5,511,735	9,212,006
Fixed asset investments	1,042,572	-	1,042,572
Current assets	5,038,404	-	5,038,404
Current liabilities	(731,937)	-	(731,937)
<b>Total net assets</b>	<b>9,049,310</b>	<b>5,511,735</b>	<b>14,561,045</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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

#### Statement of funds – Group - for the year ended 31<sup>st</sup> March 2021

	1 April 2020	Income	Expenditure	Transfers	Gift Aid	Gain on investments	31 March 2021
	£	£	£	£	£	£	£
<b>General funds:</b>							
Accumulated funds	<b>8,806,390</b>	9,919,474	(9,904,277)	17,500	810,406	165,612	<b>9,815,105</b>
Non-charitable trading reserve	<b>175,131</b>	1,286,511	(418,811)	-	(810,406)	-	<b>232,425</b>
<b>Designated funds:</b>							
Sundry donations for specific purposes – unrestricted	<b>67,789</b>	30,994	(35,913)	-	-	-	<b>62,870</b>
<b>Total unrestricted funds</b>	<b>9,049,310</b>	<b>11,236,979</b>	<b>(10,359,001)</b>	<b>17,500</b>	<b>-</b>	<b>165,612</b>	<b>10,110,400</b>
<b>Restricted funds:</b>							
Adult inpatients' unit refurbishment fund	5,338	-	(5,338)	-	-	-	-
Albert Hunt Trust	-	10,000	-	-	-	-	10,000
Angela Taylor	1,000	-	-	-	-	-	1,000
Barbour Foundation	1,544	-	(421)	-	-	-	1,123
Barbour Foundation 1	5,500	-	(902)	-	-	-	4,598
BBC Children in Need 1	500	9,000	(7,411)	-	-	-	2,089
BBC Children in Need 2	-	37,123	(17,962)	-	-	-	19,161
BBC Children in Need 3	-	3,000	(3,000)	-	-	-	-
BGL Group	-	6,924	(4,663)	-	-	-	2,261
Bridget Catherine Johnson Settlement Fund	8,000	-	(4,250)	-	-	-	3,750
Children's service building fund	2,123,951	-	(79,975)	-	-	-	2,043,976

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

Coleman fund	215,650	-	(4,613)	-	-	-	211,037
Daisy Marr	1,656	-	(165)	-	-	-	1491
Day hospice building fund	446,741	-	(16,450)	-	-	-	430,291
Day services building fund	1,525,083	-	(38,097)	-	-	-	1,486,986
Dementia UK	1,220	-	(1,220)	-	-	-	-
EP Robson	821	-	(110)	-	-	-	711
Family Room Upgrade Fund:	171,979	-	(3,451)	-	-	-	168,528
Grace and Amber Charlton	-	5,000	(5,000)	-	-	-	-
Guyll Leng Trust 1	2,779	-	-	-	-	-	2,779
Guyll Leng Trust 2	3,000	-	-	-	-	-	3,000
Guyll Leng Trust 3	-	2,500	(296)	-	-	-	2,204
Hadrian Trust	-	1,200	-	-	-	-	1,200
Hospice Building fund	675,185	-	(28,642)	-	-	-	646,543
Information centre	72,914	-	(5,078)	-	-	-	67,836
Karbon Homes	-	1,000	(313)	-	-	-	687
Kavli Trust	-	30,000	-	-	-	-	30,000
Macmillan	26,184	-	(14,654)	-	-	-	11,530
Main Kitchen upgrade	102,586	-	(12,958)	-	-	-	89,628
Mel Weir Charitable Trust	2,344	-	(234)	-	-	-	2,110
Mini Bus Fund	17,500	-	-	(17,500)	-	-	-
National Emergencies Trust - Community Foundation 1	-	3,600	(3,600)	-	-	-	-
National Emergencies Trust - Community Foundation 2	-	1,600	(1,600)	-	-	-	-
National Emergencies Trust - Community Foundation 3	-	2,000	(17)	-	-	-	1,983
National Emergencies Trust (via Community Foundation) 4	-	10,000	(5,000)	-	-	-	5,000
National Lottery Community Fund 1	12,155	27,566	(27,402)	-	-	-	12,319

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

National Lottery Community Fund 2	-	21,476	(21,476)	-	-	-	-
National Lottery Community Fund 3	-	41,475	(41,475)	-	-	-	-
NEPAC 1	1,059	-	(101)	-	-	-	958
NEPAC 3	1,875	-	(150)	-	-	-	1,725
Newcastle Building Society (via Community Foundation)	1,937	-	(192)	-	-	-	1,745
NHS England and NHS Improvement	-	274,638	(274,638)	-	-	-	-
NHS England via Hospice UK	-	1,550,709	(1,550,709)	-	-	-	-
OSM Province	-	1,000	(553)	-	-	-	447
Prime Fund via Community Foundation	-	5,000	-	-	-	-	5,000
Proctor and Gamble 1	1,567	-	(171)	-	-	-	1,396
Proctor and Gamble 2	-	25,000	(25,000)	-	-	-	-
Rank Foundation	-	25,000	(25,000)	-	-	-	-
Rods and Cods	277	-	(277)	-	-	-	-
Rose Joicey Fund (via Community Foundation)	650	-	(650)	-	-	-	-
Rothley Trust	-	1,250	(1,250)	-	-	-	-
Screwfix	-	800	-	-	-	-	800
Seahouse and District Cancer Research and Relief fund	4,458	-	(500)	-	-	-	3,958
The Sir Jules Thorn Trust	-	9,999	(991)	-	-	-	9,008
The Shears Foundation	-	50,000	(50,000)	-	-	-	-
The Social Enterprise Investment Fund	43,646	-	(43,646)	-	-	-	-
Tesco Bags of Help	-	500	(500)	-	-	-	-
The Co-op Foundation	-	10,000	-	-	-	-	10,000
Together for Short lives	11,611	-	(11,611)	-	-	-	-
WA Handley Trust 1	1,704	-	(170)	-	-	-	1,534
WA Handley Trust 2	3,246	-	(434)	-	-	-	2,812

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

WA Handley Trust 3	2,580	-	(242)	-	-	-	2,338
WA Handley Trust 4	-	2,600	(2,600)	-	-	-	-
Warburtons Community Fund	-	250	-	-	-	-	250
The William Leech Charity Winter Family via Community Foundation	-	35,000	(8,750)	-	-	-	26,250
	-	3,000	(3,000)	-	-	-	-
Young adults' service restricted fund 1	3,533	-	(3,533)	-	-	-	-
Young adults' service restricted fund 2	2,904	-	(2,904)	-	-	-	-
Nurse call system (children) fund	1,458	-	(1,423)	-	-	-	35
Nurse Call System (outpatients) fund	5,600	-	(77)	-	-	-	5,523
<b>Total restricted funds</b>	<b>5,511,735</b>	<b>2,208,210</b>	<b>(2,364,845)</b>	<b>(17,500)</b>	<b>-</b>	<b>-</b>	<b>5,337,600</b>
<b>Total funds</b>	<b>14,561,045</b>	<b>13,445,189</b>	<b>(12,723,846)</b>	<b>-</b>	<b>-</b>	<b>165,612</b>	<b>15,448,000</b>

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

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

**22. STATEMENT OF FUNDS – GROUP (continued)**

**Statement of funds – Group - for the year ended 31<sup>st</sup> March 2020**

	1 April 2019	Income	Expenditure	Transfers	Gift Aid	Loss on investments	31 March 2020
	£	£	£	£	£	£	£
<b>General funds:</b>							
Accumulated funds	<b>7,943,032</b>	11,933,502	(11,819,349)	-	889,649	(140,444)	<b>8,806,390</b>
Non-charitable trading reserve	<b>79,632</b>	1,771,037	(785,889)	-	(889,649)	-	<b>175,131</b>
<b>Designated funds:</b>	-						-
Sundry donations for specific purposes – unrestricted	<b>76,307</b>	28,899	(28,648)	(8,769)	-	-	<b>67,789</b>
<b>Total unrestricted funds</b>	<b>8,098,971</b>	<b>13,733,438</b>	<b>(12,633,886)</b>	<b>(8,769)</b>	-	<b>(140,444)</b>	<b>9,049,310</b>
<b>Restricted funds:</b>							
Adult inpatients' unit refurbishment fund	59,856	-	(54,518)	-	-	-	5,338
Angela Taylor	-	1,000	-	-	-	-	1,000
Barbour Foundation	1,965	-	(421)	-	-	-	1,544
Barbour Foundation 1	-	5,500	-	-	-	-	5,500
BBC Children in Need 2	-	34,639	(34,639)	-	-	-	-
BBC Children in Need 1	-	9,000	(8,500)	-	-	-	500
Bridget Catherine Johnson Settlement Fund	-	8000	-	-	-	-	8,000
Children's service building fund	2,203,926	-	(79,975)	-	-	-	2,123,951
Coleman fund	220,263	-	(4,613)	-	-	-	215,650
Co-op Community Fund	-	3,394	(3,394)	-	-	-	-
CSIS (via Hospice UK)	-	13,031	(13,031)	-	-	-	-
Day hospice building fund	463,191	-	(16,450)	-	-	-	446,741
Day services building fund	1,563,180	-	(38,097)	-	-	-	1,525,083

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

Dementia UK	-	28,967	(27,747)	-	-	-	1,220
Dickon Trust	-	2,000	(2,000)	-	-	-	-
Family Room Upgrade Fund:	15,678	-	(288)	156,589	-	-	171,979
The Margaret Inness Trust	-	147,188	-	(147,188)	-	-	-
Hadrian Trust	-	1,000	-	(1,000)	-	-	-
P Smith	-	120	-	(120)	-	-	-
S MacKellar	-	1,004	-	(1,004)	-	-	-
Amos Hinton & Sons	-	9,755	-	(9,755)	-	-	-
Gosforth Masonic Lodge	-	1,000	(1,000)	-	-	-	-
Guyll Leng Trust 1	2,779	-	-	-	-	-	2,779
Guyll Leng Trust 2	-	3,000	-	-	-	-	3,000
Health Education England	13,690	-	(13,690)	-	-	-	-
High Sheriff Award (via Community Foundation)	-	600	(600)	-	-	-	-
Hospice Building fund	703,827	-	(28,642)	-	-	-	675,185
Information centre	77,992	-	(5,078)	-	-	-	72,914
The Legal Education Foundation	9,678	-	(9,678)	-	-	-	-
Macmillan	11	198,254	(172,081)	-	-	-	26,184
Main Kitchen upgrade	115,544	-	(12,958)	-	-	-	102,586
Daisy Marr	1,821	-	(165)	-	-	-	1,656
Masonic Charitable Foundation	-	1,700	(1,700)	-	-	-	-
Mel Weir Charitable Trust	-	2,500	(156)	-	-	-	2,344
<b>Mini Bus Fund:</b>							
The Prism Trust	-	5,000	-	(5,000)	-	-	-
QBE Foundation	-	2,500	-	(2,500)	-	-	-
Albert Hunt Trust	-	10,000	-	(10,000)	-	-	-
Mini Bus Fund	-	-	-	17,500	-	-	17,500
National Lottery Community Fund 1	-	24,705	(12,550)	-	-	-	12,155
NEPAC 1	1,110	-	(51)	-	-	-	1,059

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

NEPAC 2	2,000	-	(2,000)	-	-	-	-
NEPAC 3	2,000	-	(125)	-	-	-	1,875
Newcastle Building Society (via Community Foundation)	1,953	(16)	-	-	-	-	1,937
NHS England and NHS Improvement	-	217,985	(217,985)	-	-	-	-
Northern Cancer Alliance	10,001	-	(10,001)	-	-	-	-
JGW Patterson 1	11,357	-	(11,357)	-	-	-	-
JGW Patterson 2	2,914	-	(2,914)	-	-	-	-
Proctor and Gamble 1	1,710	-	(143)	-	-	-	1,567
EP Robson	-	830	(9)	-	-	-	821
Rods and Cods	277	-	-	-	-	-	277
Rose Joicey Fund (via Community Foundation)	-	1,000	(350)	-	-	-	650
Rothley Trust	397	-	(397)	-	-	-	-
Seahouse and District Cancer Research and Relief fund	4,958	-	(500)	-	-	-	4,458
The Shears Foundation	-	50,000	(50,000)	-	-	-	-
The Sir James Knott Trust	11,310	-	(11,310)	-	-	-	-
The Social Enterprise Investment Fund	88,352	-	(44,706)	-	-	-	43,646
Together for Short lives	20,574	45,358	(54,321)	-	-	-	11,611
WA Handley Trust 1	12,600	-	(2,600)	-	-	-	-
WA Handley Trust 2	-	1,718	(14)	-	-	-	1,704
WA Handley Trust 3	-	3,282	(36)	-	-	-	3,246
WA Handley Trust 4	-	2,600	(20)	-	-	-	2,580
Young adults' service restricted fund 1	16,796	-	(13,263)	-	-	-	3,533
Young adults' service restricted fund 2	6,107	-	(3,203)	-	-	-	2,904
Nurse call system (children) fund	2,881	-	(1,423)	-	-	-	1,458
<b>Nurse Call System Outpatients Fund:</b>							
Joseph Strong Trust	-	1,000	-	(1,000)	-	-	-
St Michael's Healing Home Trust	-	4,600	-	(4,600)	-	-	-
Nurse Call System (outpatients) fund	-	-	-	5,600	-	-	5,600



**AIU Garden Refurb Fund:**

Tesco / Groundworks	855	-	(855)	-	-	-	-
Andrew Lee - Adults Garden	1,000	-	(1,000)	-	-	-	-
Graham Jennings - Adults garden lighting	6,000	-	(6,000)	-	-	-	-
Mrs Ghura	-	100,000	(100,000)	-	-	-	-
D Phillips	-	250	(250)	-	-	-	-
Rothley Trust	-	1,000	(1,000)	-	-	-	-
Mr Piper	-	20	(20)	-	-	-	-
Will Charitable Trust	-	12,000	(12,000)	-	-	-	-
Appeal (unnamed)	-	170	(170)	-	-	-	-
From Family Room Upgrade Fund	-	-	(2,478)	2,478	-	-	-
Appeal Income – transfer from designated funds	-	-	(8,769)	8,769	-	-	-
<b>Total restricted funds</b>	<b>5,646,600</b>	<b>957,623</b>	<b>(1,101,257)</b>	<b>8,769</b>	<b>-</b>	<b>-</b>	<b>5,511,735</b>
<b>Total funds</b>	<b>13,745,571</b>	<b>14,691,061</b>	<b>(13,735,143)</b>	<b>-</b>	<b>-</b>	<b>(140,444)</b>	<b>14,561,045</b>

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

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

### **22. 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.

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

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

##### **Angela Taylor**

This donation is to fund a dietician to work within the Adult Inpatient Unit in 2021/22.

##### **Barbour Foundation**

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

##### **Barbour Foundation 1**

This donation was made towards the cost of Rise & Recliner Chairs for our Day Services Unit.

##### **BBC Children in Need 1**

The grant is funding towards a music therapist in the Children and Young Adult's service.

##### **BBC Children in Need 2**

The grant was donated to fund a Family and Bereavement Practitioner (Children's Lead), along with supervision and equipment for children's bereavement programme – the grant started in October 2021.

##### **BBC Children in Need 3**

This grant funded the purchase of laptops and a wifi upgrade in the Children and Young Adult's Service.

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

**22. STATEMENT OF FUNDS – GROUP (continued)**

**BGL Group**

This money was donated to fund IT equipment and activities and play equipment for our Children's Service.

**Bridget Catherine Johnson Settlement Fund**

This donation is for the purpose of funding a music therapist on the Adult Inpatient Unit.

**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.

**Co-op Community Fund.**

This money was donated to fund a men's group in the Focus on living Centre.

**CSIS (via Hospice UK)**

This fund was used to cover a pilot of the befriending project.

**Daisy Marr**

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

**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 fund was established to cover the cost of the construction of the Day Services Building and includes a 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.

**Dementia UK**

This donation was used to fund an Admiral Nurse post.

**Dickon Family Trust**

This donation was used towards nurse salaries in the Children's unit.

**EP Robson**

This donation was used to purchase a sofa for Children's garden room.

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

**22. STATEMENT OF FUNDS – GROUP (continued)**

**Family Room Upgrade Fund**

This project fund was set up to upgrade our family room in the adult inpatient unit.

**Gosforth masonic Lodge**

This donation was used towards the purchase of slings for use by our children's physiotherapists.

**Grace and Amber Charlton**

This donation was used to fund a service to provide emotional support to our nurses and care staff.

**Guyll Leng Charitable Trust 1**

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

**Guyll Leng Charitable Trust 2**

This money was donated to purchase televisions and brackets for use by our young adults.

**Guyll Leng Charitable Trust 3**

This donation was made for the purchase of equipment and entertainment packages for the Children and Young Adults.

**Hadrian Trust**

This donation was made for the purchase of Syringe Drivers for the Adult Inpatient Unit.

**Health Education England**

This donation was to fund research into end of life care.

**High Sheriff Award (via Community Foundation)**

This donation was given in recognition of work of our young volunteers and was used to help fund the Family Support Centre.

**Hospice Building Fund**

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

**Information Centre**

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

**The Legal Education Foundation**

This funding was used for research into the legal needs of adults with life limiting conditions.

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

**22. STATEMENT OF FUNDS – GROUP (continued)**

**Karbon Homes**

This donation was used to purchase arts and crafts materials for the Children's Service.

**Kavli Trust**

This donation was used to purchase outdoor play equipment for the Children's Service.

**Macmillan**

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

**Main Kitchen Upgrade Fund / Revenue Fund**

The donations to this fund were used towards the cost of improving of our catering facilities (capital) and patient nutrition services (revenue).

**Mel Weir Charitable Trust**

This donation was used towards the purchase of a new washing machine for our Adult Inpatient Unit.

**Mini Bus Fund**

The donors of this money kindly agreed to it being used to support the running costs of the hospice during the Covid-19 pandemic.

**National Emergencies Trust (via Community Foundation) 1**

This donation was used to purchase a virtual reality headset for the Adult Inpatient Unit.

**National Emergencies Trust (via Community Foundation) 2**

This donation was used to provide lockers for personal protective equipment (PPE) storage for the Adult Inpatient Unit.

**National Emergencies Trust (via Community Foundation) 3**

This donation was used to provide lockers for personal protective equipment (PPE) storage for the Children's Services.

**National Emergencies Trust (via Community Foundation) 4**

This donation was used towards the funding of staff for Bereavement Services.

**National Lottery Community Fund 1**

This money was donated to fund a patient and family befriending project.

**National Lottery Community Fund 2**

This donation was used towards the funding of the salaries of the Bereavement Support Team.

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

**22. STATEMENT OF FUNDS – GROUP (continued)**

**National Lottery Community Fund 3**

This donation was used towards the funding of a project to provide training and support to local companies on the subject of bereavement.

**NEPAC 1**

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

**NEPAC 2**

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

**NEPAC 3**

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

**Newcastle Building Society (via Community Foundation)**

This donation was used for the purchase of clinical equipment.

**Northern Cancer Alliance**

Funding for clinical communications.

**JGW Patterson Foundation 1**

This donation supported an expanded kitch project including one year's salary of a dietician.

**JGW Patterson Foundation 2**

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

**NHS England and NHS Improvement**

Funding received specifically to meet the needs of the Children's Service.

**NHS England via Hospice UK**

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation, and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

**OSM Province**

This donation was used for the purchase of IT equipment.

**Prime Fund (via Community Foundation)**

This money was donated for the purchase of IT equipment for our Focus on Living Service.

**Proctor and Gamble 1**

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

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

**22. STATEMENT OF FUNDS – GROUP (continued)**

**Proctor and Gamble 2**

This donation was used towards the cost of nursing salaries for additional night shift staff.

**Rank Foundation Covid-19 Recovery Fund**

This donation was used towards the cost of nursing salaries in the Adult Inpatient Unit.

**Rods and Cods**

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

**Rose Joicey Fund (via Community Foundation)**

This donation was used towards patient outings and activities.

**The Rothley Trust**

This donation was used to improve IT equipment for clinical staff.

**The Sir James Knott Trust**

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

**Screwfix**

This donation was used to install a bicycle shelter for the hospice.

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

This donation was used to purchase three syringe drivers and drugs storage facilities for our Inpatient Unit.

**Sir Jules Thorn Trust**

This donation was used to purchase two 'hi/lo' beds for the Adult Inpatient Unit.

**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 received towards the cost of refurbishment of the Day Hospice.

**Tesco Bags of Help**

This donation was used to purchase arts and crafts materials for Focus on Living Service.

**The Co-op Foundation #Iwill Fund**

This money was donated towards the funding the development of young bereavement advocates.

**Together for Short Lives**

This donation was used to pay for a young adults transition project.

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

**22. STATEMENT OF FUNDS – GROUP (continued)**

**WA Handley Trust 1**

This donation was used to purchase an Oska mattress.

**WA Handley Trust 2**

This donation was used to purchase a powered bath chair.

**WA Handley Trust 3**

This donation was used to purchase an infusion pump.

**WA Handley Trust 4**

This donation was used towards the funding of salaries in the Focus on Living Service.

**Warburtons Community Fund**

This donation was used to purchase arts materials in the Focus on Living Service.

**The William Leech Charity**

This donation is helping us to develop our volunteer services.

**Winter Family (via Community Foundation)**

This donation was used to create handwashing stations throughout the hospice.

**Young Adults Restricted fund 1**

This fund was set up to refurbish the Young Adult unit fixtures and fittings.

**Young Adults Restricted fund 2**

This fund was for new equipment for the Young Adult Unit.

**Nurse Call System in Children's Fund**

This donation was used to purchase a new nurse call system in the Children's Unit.

**Nurse Call System in Outpatients Fund**

These monies were donated towards the cost of a new nurse call system.



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

**23. LEASING COMMITMENTS**

**Operating leases**

The company's total future minimum lease payments under non-cancellable operating leases at 31 March 2021 relate to short leasehold land and buildings as set out below:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Operating leases that expire:</b>		
Within one year	372,588	431,612
Within two to five years	1,898,124	1,117,322
Over five years	186,573	335,995
	<u>2,457,285</u>	<u>1,884,929</u>

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

**24. CAPITAL COMMITMENTS**

There were no capital commitments outstanding at the end of the year (2020: £nil).

**25. RELATED PARTY DISCLOSURES**

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

There are no other related party transactions to disclose.



**St Oswald's  
Hospice**

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