

**Charity number: 503456**  
**Company number: 1161308**

**ST. MARY'S HOSPICE LIMITED**

**Report and Consolidated Financial Statements**

**Year ended 31 March 2019**

# ST. MARY'S HOSPICE LIMITED

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## **Welcome from the Chair and Chief Executive**

The past year has been one of celebration, challenge and success as we celebrated our 40<sup>th</sup> Anniversary as the first independent hospice in the Midlands.

The challenges are as significant today as they were 40 years ago as the growing demand for hospice care continues to rise. Birmingham still has the highest percentage of its residents who are dying in hospital rather than living out their lives where they prefer in their own home environment. This means the Hospice must continue to evolve and find new ways of meeting the needs of more people through partnerships, increased hospice care at home and new sources of funding.

Year on year we have consistently increased the number of individuals we have been able to support, rising to the highest ever at 1,699 in 2018/19. Most of this care is provided in people's own homes. In addition, we have expanded the level of support available to more families, carers and the wider network of people affected by each individual living with a life-limiting condition or conditions.

In order to attain better solutions and funding required for the future we have taken responsibility to lead and influence change across the City.

The hospice team has concluded the first phase of a study into the future demands on hospice care. This has involved listening to patients, families, referrers and people across our diverse communities as well as using data to forecast the future needs of our population. Our senior staff have been proactive in influencing local health and social care planning. We have also forged partnerships with other hospices, NHS organisations, care homes, university teams and voluntary sector organisations to achieve greater impact through research, teaching, community engagement and service delivery.

We are extremely proud of the efforts of all our staff and volunteers. Many remarkable achievements have been publicly recognised over the past year including prestigious awards for research; contribution of excellence to the community; volunteering; fundraising initiatives; and staff engagement.

We greatly appreciate the support and generosity of everyone who has raised money for the hospice. Your donations make the vital difference that enables more people to receive better care.

Thank you to all our staff, volunteers, partners and supporters for your valuable time and commitment. It is a privilege to work with you all.

We look forward to your continued support and celebration during our anniversary year, as we deliver the compassion and innovation of our founders to address our challenges, strive for excellence, and increase sustainable funding for those who need us today, in the years ahead, and indeed, for the next 40 years.

**Niels de Vos, Chair**

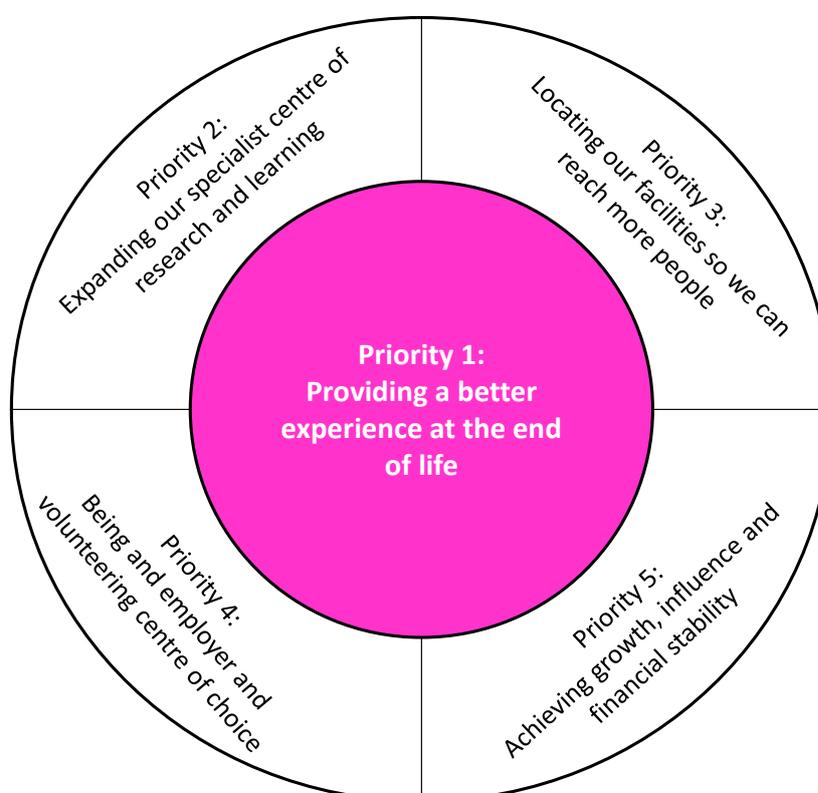
**Tina Swani, Chief Executive**

## OBJECTIVES AND ACTIVITIES

**Our Vision is for a future where the best experience of living is available to everyone leading up to and at the end of life.**

This vision, reflecting the experience of individual patients and their families, is at the heart of our strategic priorities:

### Our Hospice Strategy (2016-2020): Hospice Care for All



**Hospice Care for All is our mission and ambition:** To ensure the best hospice care is available for all patients, families and carers across our community, wherever and whenever they need it. By building partnerships and growing our research and education programme, we will share our expertise and knowledge to help others and work with them to deliver the best end of life care.

### Our Values

- Delivering quality care
- Improving access for all
- Sharing expertise
- Working collaboratively
- Changing attitudes

## **ST. MARY'S HOSPICE LIMITED**

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

#### **Our strategic priorities: What we want to achieve**

##### **Providing a better experience at end of life**

- Getting the right referral for individuals at the right time, regardless of their diagnosis
- Producing and collecting robust data to support our services and demonstrate the difference we make
- Improving our services, communication and systems to benefit individuals, their families and carers

##### **Expanding our specialist centre of research and learning**

- Developing the skill base of our staff to deliver the best quality care
- Providing accredited education for healthcare professionals including GPs and care home workers as well as for patients, carers and the general public
- Expanding the amount of research we undertake to develop understanding and services so we can influence policy makers

##### **Locating our facilities so we can reach more people**

- Creating hospice facilities and premises that are fit for the future
- Finding new ways to bring hospice care closer to people
- Growing our profile, partnerships and retail presence as well as connecting with our diverse communities

##### **Being an employer and volunteering centre of choice**

- Attracting the best staff and investing in their development
- Building and delivering a new vision for volunteering
- Being a cohesive organisation, where everyone works together as one team to deliver our work and communicate what we do

##### **Achieving growth, influence and financial stability**

- Improving the recognition of our brand to make ourselves more visible as a charity
- Communicating with our many audiences through different methods
- Influencing the development of hospice care across more health and social care settings
- Stabilising our finances and functioning more efficiently

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### TRUSTEES' AND STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

#### National policy

A driving document for current national policy on end of life care is "Ambitions for Palliative and End of Life Care: A national framework for local action 2015-2020" (*The National Palliative and End of Life Care Partnership*). This document sets out the following ambitions:

- Ambition 1: Each person is seen as an individual
- Ambition 2: Each person gets fair access to care
- Ambition 3: Maximising comfort and wellbeing
- Ambition 4: Care is co-ordinated
- Ambition 5: All staff are prepared to care
- Ambition 6: Every community is prepared to help

Our priorities support the national ambitions as do our achievements and performance over the past year. The challenge is how to sustain these achievements, both in terms of capacity and funding.

The hospice team has been proactive in leading collaborative efforts across a whole system of health and social care to plan for the future as well as listening to patients, carers and families to understand what works best right now and to keep improving.

#### Public benefit

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

## ACHIEVEMENTS AND PERFORMANCE

Birmingham St Mary's Hospice offers services for people with a life-limiting illness in different locations according to their needs and preferences. Our approach is inclusive and welcoming of individuals, families, partners and carers across the diverse population of Birmingham and Sandwell. Most of our care is provided in people's homes, or community locations close by, in addition to inpatient and day services at the Hospice. We support people soon after their diagnosis, helping them to live well and achieve their goals, providing expert care and support throughout their journey right up to the end of life. We are there for loved ones, families and carers, and our care continues after someone has died, with bereavement support for adults as well as children and young people. This focus on the whole person is what we refer to as palliative care.

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### TRUSTEES' AND STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

#### **The need for hospice care is growing**

More people are living longer and, as our older population increases, many will do so with multiple illnesses. In Birmingham and Sandwell many individuals will also be living in poverty, dying alone, unsupported or with avoidable symptoms. As a society, people are unaware of the difference that hospice care can make to improve this difficult time of life, from diagnosis to end of life care through to bereavement support. We aim to improve the experience of more people living with life-limiting illness and multiple long term conditions. This also means increasing the numbers of carers and relatives we support.

#### **Education and learning is central to our work**

As a teaching hospice, we work alongside other health and social care professionals in prison services, care homes, hospitals, community and mental health services. Our education programmes extend to this wide network of care providers, including GPs and District Nurses so that the palliative care approach is embedded in more services, settings and professional practice.

Our work with community organisations facilitates conversations around death and dying, to harness awareness across local neighbourhoods so that more people are supported at community level during illness, death and bereavement.

#### **Financial constraints to meet growing demand**

Almost two-thirds of our running costs come from voluntary donations with around 36% of funding coming from NHS contracts. Whilst fundraising income has grown, NHS income has been static and is insufficient to fund the growth in demand for our care.

During the past year we have conducted a study to look at the future demand for hospice care and the likely needs of individuals and families. We will use this work to inform the development of our next strategic plan and demonstrate that investment in our work creates significant personal, financial and social value for money.

#### **Transforming care across the whole system to meet needs**

To achieve our vision, we've been working on an ambitious and innovative transformation programme of service redesign to reach even more individuals and the people that matter to them. This involves strategic partnerships and collaboration with other care providers across the wider network; this programme is central to helping us deliver this vision. Our work so far has boosted our ability to influence and shape the future delivery of end of life care for the people of Birmingham, Sandwell and Solihull as well as sharing new ways of working at a national level.

### **Hospice Care for All – taking forward our mission in 2018 / 19**

Over the year we made the following achievements against the five priorities of our strategy 'Hospice Care for All'.

#### **1. Providing a better experience at end of life**

Our ambitious programme of service redesign has enabled us to reach more individuals as well as their families, carers, and loved ones than ever before.

We extended our reach by caring for 1,699 individuals this year as well as providing support to their family members and carers. This is the highest number of patients we have supported in a year since we commenced our strategy and indeed since the hospice was founded 40 years ago.

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The very positive feedback we received from our patients and their carers shows that as we grow our numbers, we are still delivering the highest quality care.

96% of our patients this year agreed or strongly agreed that every effort had been made for them to be as comfortable and free from distress as possible.

97% of patients also said they were likely or extremely likely to recommend our services to family or friends if they needed similar care.

We are providing people with choice as they approach end of life.

Figures for Birmingham show that 58% of deaths occur in hospital when people would prefer to die at home.<sup>1</sup> When our care is involved this picture looks very different. 78% of the individuals we cared for this year were able to die in the place of their choosing: a 5% increase in this important measure from last year.

We are always looking for new ways to help people live well with their condition.

Our new Space to Breathe service launched in January, enabling individuals, supported by their carers, to manage their breathlessness together. The programme gives patients access to therapists, exercise practitioners, family and carer support service, clinical nurse specialist and / or a doctor all in the one place.

To provide patients with the right care when they need it, we increased the numbers of nurses who are trained to prescribe certain types of medication.

Non-medical prescribing (NMP) is highly beneficial to patients, giving them easier access to essential medication that helps to control their symptoms at the end of life. Three nurses successfully completed their NMP training so that we now have a cohort of six non-medical prescribers who can provide this valuable service.

## 2. Expanding our specialist centre of research and learning

Alongside the vital care and support we provide, we are leading on progressive research to improve and advance end of life care for the future.

Our research is establishing new evidence about the approaches that work best for patients and creating evidence that can be replicated nationally. We have been recognised for our role in driving forward ground-breaking research with a national award from the National Institute for Healthcare Research in April 2018. Since then, we have been supporting other hospices in becoming research ready, showcasing our research practices at regional networks and presenting research papers at national conferences.

To support our aspiration for Birmingham to be recognised as a Compassionate City for end of life care, a Community Development and Partnership Lead was appointed.

The post holder commenced her role in August 2018 and has built relationships with marginalised communities in order to strengthen the hospice role and presence with these communities to support their needs at end of life. This has included partners in Homelessness Support, the LGBT community and communities in the Highgate area.

Partnerships have been established with colleagues and teams across different healthcare settings to improve the experience of end of life care for different patient groups including people in care homes and people with heart failure.

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<sup>1</sup> Analysis of future end of life needs in Birmingham, Sandwell & Solihull: Midlands and Lancashire Commissioning Support Unit (2017)

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To meet the needs of an ageing population, The 'Six Steps for Care Homes' Programme was launched at the end of 2018.

The purpose of the programme is to provide a low-cost and effective way for care home staff to improve resident and family experience of end of life care, whilst helping to reduce unnecessary and sometimes distressing hospital admissions. 25 care homes are participating in the programme, improving the experience of end of life for up to 1,500 residents and their family members.

Our clinical nurse specialists visit care homes across Birmingham and Sandwell to educate staff about the needs of residents living with life-limiting illness. The programme will also give staff the skills to deliver hospice care and provide them with the confidence to have difficult conversations about death and dying.

#### 3. Locating our facilities to reach more people

We have been working to bring care closer to home and to grow partnerships with local communities through our satellite clinics pilot.

The project places community palliative care nurses in clinics within local GP surgeries, in areas of low referral rates that are also culturally diverse. Evaluation shows extremely positive feedback and results: the community caseload has grown by 20% over the two year pilot, and 10% of community patients are now accessing services via the satellite clinics. Greater efficiencies have been achieved in travel time for patients and staff, allowing patients to receive care in their neighbourhood and nurses to see more patients in a day.

The satellite clinic is now a core working practice across the wider community nursing team: two new satellite clinics have opened in areas of high referral and two more are planned. An additional part of the satellite clinic pilot scoped the need for end of life support in care homes and designed a programme of education and support.

We have learned how to better engage with communities who are not equally represented in our referrals.

This learning is shaping our community partnership work through the newly appointed the Community Development and Partnership Lead role. We also partnering with an academic researching end of life care for the Muslim community.

Our shops provide a visible presence on many local high streets well as generating important funds for the hospice.

This year we opened two new shops, in Bearwood and in Yardley, making our retail chain 17 strong. Our Bearwood shop is our only shop in Sandwell and provides an important link to the hospice for people in this area.

#### 4. Being an employer and volunteer centre of choice

As an organisation that supports and employs people in one of the most culturally diverse cities in the UK, we were proud that this year we became the first hospice in the country to receive the prestigious Investors in Diversity Award.

The Hospice was particularly praised by the awarding body the National Centre for Diversity for the work of our dedicated Equality, Diversity and Inclusion (EDI) committee who have led a programme of equality activities to ensure we have inclusivity at our heart. These have included welcoming community leaders to deliver educational workshops; developing information leaflets in seven different languages; participating in key community events across the city such as Pride; and running cultural celebration days to inform staff and volunteers about different faiths and holy festivals.

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The Hospice launched its bi-annual staff survey in November 2018. The survey demonstrated a high level employee engagement highlighted in the survey resulted in us winning the Agenda Consulting Award for a second time running.

The key findings were as follows:

- 94% feel personal achievement
- 97% are proud to work here
- 99% are clear about our values & mission
- 96% can explain what we do
- However, 31% feel their workload is excessive

In response to reported feelings about excessive workloads, wellbeing has been a key priority during the year.

We have supported our social and wellbeing committee to hold activities to boost staff wellbeing and provide resources and support. The committee, made up of staff from across all hospice departments held a stress awareness event in April, where staff could drop in for financial advice, mindfulness meditation and massage. Resilience training has been available to all staff. Other events included yoga sessions and outdoor activities such as rounders in the park. Clinical staff engage in regular clinical supervision, case reviews and opportunity for therapeutic reflection. Service activity is closely monitored and managed in line with staffing levels to ensure high quality care.

Volunteers significantly enhance the services we are able to provide across the Hospice.

Their contribution is immeasurable and we would not be able to support so many people without their dedication. Every June, in Volunteers' Week we invite volunteers to a special summer celebration in to recognise their efforts and to thank them for everything they do.

The NHS's Freedom to Speak Up initiative was launched to encourage a culture of openness and safe reporting.

A senior member of staff is now our Freedom to Speak Up Guardian supported by a number of Champions some of whom are Trustees. The initiative actively encourages staff and volunteers to raise any organisational concerns including unsafe patient care or working conditions, suspicions of fraud or a bullying culture, so that issues can be resolved and practices improved. Ultimately this culture will improve the services we deliver to patients and their families and well as support a safe working environment.

#### 5. Achieving growth, influence and financial stability

More people are receiving our care.

We cared for 1,699 patients during 2018/19 which is the result of a year-on-year rise over the last four years. Our challenge is to meet this need within budget restraints. In order to do this we continue to transform our services and to work at a system wide level to influence end of life care across the whole system working with health and social care providers.

Our Chief Executive and Medical Director have leading roles in End of Life Care within the Birmingham & Solihull Sustainability and Transformation Partnership (a partnership of the local NHS, Solihull Council and Birmingham Council to improve health and social care for the population).

In July, the STP formed an End of Life Care Oversight Group which was given the remit of developing and delivering a work programme of end of life care for Birmingham and Solihull.

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This year our income totalled £9 million, of which only 36% came from statutory funding.

We rely on the generous funding of our many supporters and we continually innovate ways to fundraise. Our Care at Christmas campaign was the most successful yet, raising £160,000.

As demand for hospice care grows, we are becoming more visible to members of the public. This means reaching different communities, professional groups and supporters, so that more people can get the help they need and choose to support us.

We refreshed our brand in September. Our new look has a strong colour named "Pearce Pink" after our founder that stands out and a logo that reflects the way many people describe our care as a lifeline – or a continual thread, pulling together the care and support of every person to live well with life-limiting illness. Our brand is present in every 'touch point' we have with people, taking a positive, progressive and personalised approach of care beyond boundaries.

## Our services

### Co-ordination and facilitation

As well as providing a broad range of services, we are committed to bringing about change across the whole system of healthcare so that more people have a better experience at the end of life. To do this we are working with many other health and social care services and organisations across our area to deliver care for today as well as designing and planning services for the future.

Our Medical Director has set up a working party that is now incorporated within the local Sustainability and Transformation Partnership. The aim is to harness the resources needed to create a seamless journey for people needing hospice, palliative and end of life care. This approach will improve coordination and remove unnecessary duplication of services as well as forge better links between providers so more people will be able to live out their lives with dignity, with symptoms more closely managed and with better support for their loved ones and carers.

### Inpatient Care

The inpatient unit supports people in need of intensive palliative and end of life care. Our specialist team of doctors, nurses and therapists care for people on the ward, helping with symptom management and providing therapies as well as advice and support. In our Harry Moseley Family Centre, families can stay with their loved ones in a calm and comfortable environment.

Referrals are taken from health care professionals and are prioritised according to clinical need. Holistic care is planned to address the physical, psychological, social and spiritual needs of the patients, with respect for culture, religious and personal values. Personal choice is central to the ethos of care and decisions are made by the individual, in collaboration with the team. Information is given to enable patients to be involved in the decision-making process. Our care is delivered without judgement, and we respect and uphold every individual's privacy and dignity.

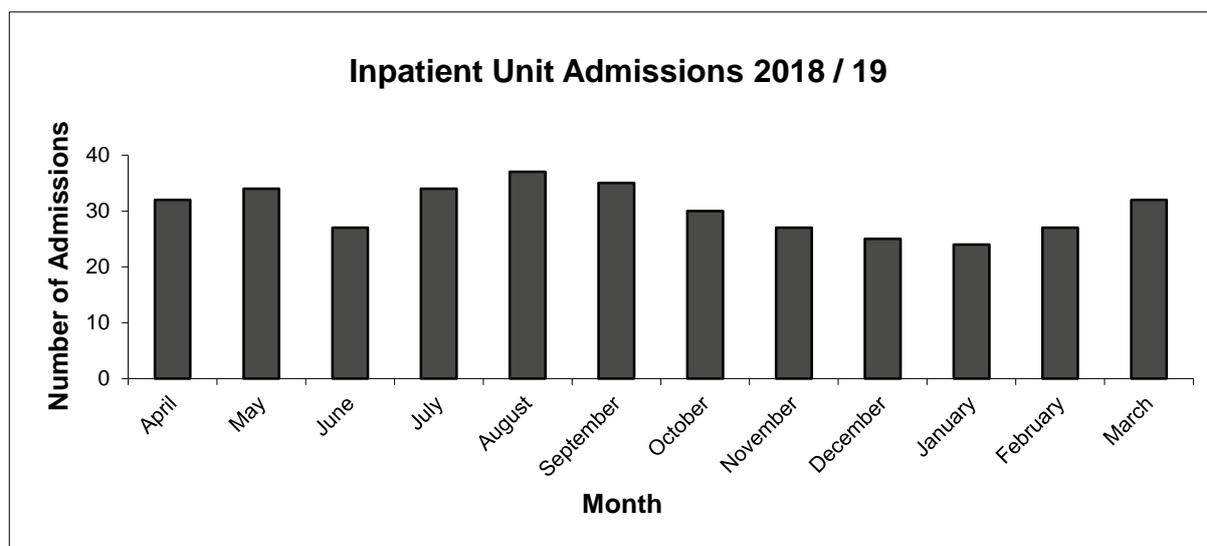
The unit comprises 18 beds and a family centre with en-suite bedrooms, kitchen, family area and outside seating area. The remainder are in single rooms with en-suite facilities or small

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multi-bedded bays. There is a Peace Room with multi-faith facilities for prayer and also non-religious quiet reflection. There is a small inner conservatory where inpatients can smoke.

Patients and visitors have access to the larger main conservatory and the gardens. We have redesigned the main conservatory to create a home from home for those patients in our care who have dementia. We have improved signage on the Inpatient Unit, creating an environment that is comforting and familiar to reduce anxiety, isolation and confusion and improve social interaction. Visiting hours are open.



In 2018/19, there were 364 admissions to our Inpatient Unit (IPU), including patients who may have been admitted more than once. Our bed occupancy rate was at 91%. This is a growth of 5% from the previous year. From March 2018 to February 2019, we expanded to 20 beds to facilitate admissions and reduce waiting times.

To support this growth in admissions, additional staff nurses and health care assistants were recruited during the year to maintain safe staffing levels and meet the needs of patients. We were pleased to receive many applicants and were able to appoint high calibre candidates. Patients were admitted with increasingly complex needs over the year, so we delivered training for staff to support these specialist care needs, including managing tracheostomies.

Providing care on the inpatient unit is becoming more physically and emotionally demanding, in light of the more complex admissions and due to psycho-social and physical complexities of patients and their families. To support our staff, we have regular monthly clinical supervision provided by a clinical psychologist, to ensure staff have protected time to debrief and reflect on clinical incidents.

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

#### **Integrated Community Care – Community Palliative Care Team**

Most of the care we provide is in individuals' own homes.

The Community Palliative Care Team provides palliative care, support and advice to patients and carers in their homes and to other healthcare professionals working with these patients.

The team consists of Clinical Nurse Specialists, a Community Palliative Care Consultant, Occupational Therapists and the Family and Carer Support staff. Staff liaise closely with GPs, District Nurses and local hospital staff.

This year saw a 14% increase in referrals for community palliative care including patients who were being re-referred. We received 1,088 referrals for new patients and provided care to 1,046 individuals.

The team's caseload ranged between 310 and 370 patients per month including outpatient and satellite clinics.

The 'Six Steps for Care Homes' programme was launched in December 2018. This programme is designed to upskill care home staff in delivering end of life care thereby improving the experience of end of life care for residents and their family members as well as reducing avoidable, and at times difficult, hospital admissions.

25 care homes have now completed the programme and feedback has been highly positive. With the success of this service, another member of staff has been recruited to deliver training.

#### **Integrated Community Care - Hospice at Home**

This service is provided to patients who are at the end stage of a life-limiting illness who have expressed their wish to die at home and who require additional support. Care is delivered by registered nurses and health care assistants in the patient's own home.

This team had 287 referrals over the year and made 2,915 visits to patients in their homes.

Over the year, 58% of hospice at home referrals were 'bridging' the gap between patients being discharged (from hospital or from the hospice) and social care packages being put in place for them. This is evidence of how hospice care services are 'plugging the gap' in mainstream services.

We have extended the hours of the Hospice at Home service from 8am to 6pm, to enhance the service people receive in their homes, and enable some patients to be receive two visits in one day. Ideally we would expand the service to 8pm but more funding is required to grow the service, so it is a priority for the future.

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Additional staff have been recruited to the Hospice at Home team to provide flexible support to other nursing teams when needed as well as an occasional sitting service for patients needing specialist respite care.

An urgent response service has been developed to support patients known to the hospice when their district nurse cannot respond (for example if medication is needed or for crisis intervention). A dedicated staff member is now available every day with the capacity to respond to these patients.

Hospice at Home also support the community team with follow up calls or visits when community nurse specialists do not have capacity to visit a patient. This allows flexibility for the workforce and maintains quality of care for patients.

#### Integrated Community Care - Satellite Clinics

The Hospice provides services in other settings such as GP practices and care homes to reach more people across Birmingham and Sandwell and bring care closer to home. Our Satellite Clinic service is a new area of development and has been in collaboration with our Clinical Commissioning Group (CCG) and GP partners.

Patients can choose to see a clinical nurse specialist in their choice of location, ranging from their own home, at the Hospice or in a GP practice or a Health Centre. They are offered the same level of service at all locations and can access any of our other services to meet their needs.

Four satellite clinics were run at GP practices in the following neighbourhoods:

- Jiggins Lane Medical Centre, Bartley Green
- Druids Heath Surgery, Druids Heath
- Cape Hill Medical Centre, Cape Hill
- Sparkbrook Community & Health Centre, Sparkbrook – *(closed in July 2018)*

10% of the community caseload is now accessing services via the satellite clinics.

The Satellite Clinic evaluation showed positive feedback and results with both patients and nurses benefitting from reduced travel times. Being located within GP practices has also created efficiencies in partnership working with GPs.

Although the Sparkbrook Clinic was closed at the end of the pilot, we gained a better understanding of how to reach out to communities from this area. Our Community Development Lead is now developing partnerships with different organisations and we are working with Dr Mehrunisha Suleman whose PhD explores end of life care for the Muslim population.

#### Day Therapy Services – Day Hospice

The Day Hospice Therapeutic Programme is led by a Physiotherapist; it is a 20 place educational programme for people living with a life limiting illness. The programme runs for 12 weeks and encourages and promotes people to live well and share experiences with others in a similar position. Day Hospice takes place every Tuesday and Thursday, and on Wednesdays there is an Outpatient Clinic and Welcome Group.

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The Welcome Group is a weekly volunteer led service which provides social and peer support for patients. It is run by a senior Healthcare Assistant and an experienced team of volunteers and can accommodate up-to 20 patients per session.

Day Hospice patients are assessed by the nursing team at each visit and can be referred to other Hospice clinical services. Patients can, if necessary, be brought in and taken home by volunteer drivers in Hospice vehicles or volunteers' own cars.

In total our day hospice services had 4,792 contacts with patients during the year. The percentage of patients with non-cancer diagnoses attending Day Hospice was 37%.

We have reduced waiting times for patients wishing to access the programme, however the waiting list has grown during periods when it proved difficult to recruit volunteer drivers to collect patients and bring them to the hospice. We are always looking for ways to attract potential volunteers and the PR and Marketing team have been using different methods to do this including blogs and social media.

Our artist in residence and a drama therapist attend Day Hospice on Tuesdays and Thursdays respectively to engage patients in therapeutic arts activities. These activities enable patients to try out new activities, develop new skills and enjoy themselves, which has a positive impact on their wellbeing. We also have a long-serving silk painting volunteer. One of the former patients from the Welcome Group leads patients in flower arranging activities during the Welcome Group.

#### **Day Therapy Services - Space to Breathe**

This newly launched service aimed at patients and their carers to help manage breathlessness has been receiving large number of referrals largely from community healthcare professionals. After a small first intake of six patients, the service was expanded to 12 as we found we could support larger numbers. Early analysis shows patients are getting better at controlling their breathlessness.

#### **Day Therapy Services – Therapeutic Care**

Our expert therapists offer physiotherapy, occupational therapy and complementary therapies to people on the ward in the Hospice, in our Day Hospice and out in the local community. As well as supporting people's emotional and physical well-being, therapeutic services help people to be more independent and to live their lives as fully as possible.

This year our physiotherapists had 2,151 face-to-face contacts with patients. Our occupational therapists had 282 face to face contacts and 304 visits. Patients received 169 sessions of complementary therapy.

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#### **Family and Carer Support**

The Family & Carer Support Team provides specialist counselling, spiritual and psychosocial support to patients, carers and family members, including children whose parent is ill.

In addition social work staff can assist with practical and emotional matters. On a practical level they can answer questions or concerns about financial issues or other social needs and can also point out voluntary and statutory agencies which can deal with these issues most effectively.

The Spiritual Care Team provides spiritual support for those who request it. Spiritual care is inclusive to individuals of all faiths and none.

Over the year, the Family and Carer support team had 947 referrals. They carried out 882 face to face contacts including home visits and 2,198 telephone calls.

The Spiritual Care and Chaplaincy team had 1,615 contacts with individuals.

The Family and Carer Support team has successfully implemented a new Support at Home service to provide skilled volunteers to respond to patients who have a life-limiting illness, who have expressed their wish to be supported at home and who require non-clinical services.

During the year, a new Spiritual Care Lead was appointed. The post holder has developed and led a team of spiritual care volunteers who can support people from a range of different faiths as well as people of no faith.

#### **Support at Home services**

Support at Home is a volunteer provided service for patients, and their families, who have a life-limiting illness, who have expressed their wish to be supported at home and who require non-clinical services. The service works with the patient and supports families and carers and provides a befriending and sitting service which can also signpost to other services.

The aim of Support at Home is to reduce the growing number of people who face social isolation when dealing with a life-limiting illness. Specifically the service was set up to:

- Improve psychological wellbeing of those facing life-limiting illness and their carers through reduced anxiety, increased social connectedness and a better understanding of available services and resources.
- To provide additional support to carers, family and friends and provide an opportunity for the carer to have a break for a few hours, knowing that a trained volunteer is with the patient.

Over the year the Support at Home service had 100 referrals. The team made 515 visits to patients' homes, held 45 face to face contacts at the Hospice and had 479 phone calls with individuals.

## ST. MARY'S HOSPICE LIMITED

### TRUSTEES' AND STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

#### Bereavement Support Services

At the Hospice, we consider bereavement support to be an essential part of quality palliative care. The Bereavement Support Service consists of two trained counsellors as well as highly skilled volunteers who have been trained in supporting people in grief; they receive one to one supervision from external counsellors paid for by the Hospice. The Service currently offers a range of information, facilitated support groups, one to one bereavement support and counselling.

Our specialist Child Bereavement service supports children and young people dealing with the loss of a loved one.

Our bereavement team had 1,437 contacts with individuals. Our child bereavement team had 984 contacts with children and young people.

During the year, the team grew to a team of two trained counsellors for adults. We developed our child bereavement service, recruiting additional staff with funding from Children in Need. New services have been introduced, including a memory day for children and young people, where they can spend time thinking about their family member and sharing experiences with peers.

#### General advice

Our Triage nurse offers expert advice and signposting to all our specialist services. Outside of office hours, patients know to the Hospice can access telephone advice from our team of specialist nurses.

We offer 'round-the-clock' specialist medical advice and telephone support for any healthcare professional caring for individuals with palliative care needs within our area.

The role of the triage nurse has continued to effectively manage referrals for all teams. This role is providing a more responsive service to referrers by assuring effective support and communication between health and social care professionals.

#### Education

As a teaching Hospice, we deliver education in palliative and end of life care to students and professionals from different sectors so that hospice care becomes mainstream in more settings and professions. We offer a broad range of accredited training courses and trainee doctors and nurses form part of our clinical teams.

This year we trained 2,170 professionals: both our own teams and those from the health and social care sector across Birmingham, the region and UK wide. Birmingham St Mary's provides education to medical, pharmacy and nursing students from The University of Birmingham, Aston University and Birmingham City University as well as a range of placement opportunities.

The Hospice takes an active role in promoting education to our staff and wider health and care network. During 2018/19 we held a range of education activities to improve end of life care.

## ST. MARY'S HOSPICE LIMITED

### TRUSTEES' AND STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

#### Research

Research is a vital part of the work we do. We work with researchers at universities and in other health care settings and are actively involved in recruiting patients, carers, staff and volunteers for new research projects. The research we do continually improves the care and support we provide and helps advance palliative and end of life care for the future.

This year, the Hospice won a national award from the National Institute for Health Research for being one of the UK's 'most research active' hospices. This prestigious accolade recognises our work to ensure research strategies are firmly embedded across the organisation. The hospice was particularly commended for leading and taking part in many high-quality clinical studies and for making research and learning a top priority in the hospice's overall business strategy.

Our 'Research Champions' are both clinical and non-clinical members of staff who regularly attend research steering group meetings, and help to integrate findings into day-to-day practice and publicise activity hospice wide.

Following our National Institute for Health Research (NIHR) award in April 2018, the hospice was approached to support other hospices in becoming research ready. As a result, a West Midlands Hospice and Community and Research Group (CARES) was founded and meets regularly to provide peer support for the research agenda.

Our Research Nurse was invited to present our journey to becoming research active at the West Midlands supportive and palliative care research showcase in October 2018. Hospice staff presented five research topics at the Hospice UK conference in November 2018. We are currently recruiting a Patient Research Ambassador to advocate for patients and their carers within our research.

#### Highlights of the Year

##### April

We scooped a prestigious award for being one of the UK's 'most research active hospices' at the National Institute for Health Research (NIHR) awards.

##### May

We invited members of the public to pop in to our 'curiosity' day during Dying Matters Awareness Week, so they could get to know their local hospice and ask all the questions about death and dying they had always wanted to ask.

##### June

We threw a big Hollywood-themed party to celebrate and thank our amazing volunteers for the huge contribution they make to the hospice.

##### July

Our artist-in-residence, Carolyn Morton, showed her 'Making Time' exhibition at the Hospice with beautiful and inspiring artworks created by day hospice patients, staff and volunteers.

## **ST. MARY'S HOSPICE LIMITED**

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

#### **August**

Our Community Development and Partnerships Lead took up post this month to help Birmingham become a truly compassionate city for people at end of life.

#### **September**

We unveiled our bright and refreshed brand to raise our profile and boost awareness of the services we provide across Birmingham and Sandwell.

#### **October**

Our celebrity patron, West Bromwich Albion football legend, Brendon Batson, officially launched our new shop in Bearwood, our first shop in Sandwell.

#### **November**

Our Happy Diwali tweet, featuring a video of one of our staff in the peace room talking about the festival and its traditions, was listed in Birmingham's top 10 Diwali tweets by the digital magazine I am Birmingham.

#### **December**

We launched our 'Six Steps for Care Homes Programme' to upskill care home staff in end of life care giving residents a better experience at end of life.

#### **January**

Long-serving hospice volunteer, Eileen McCann, cut the ribbon to officially open our new Yardley shop, making it our 17th shop across Birmingham and Sandwell.

#### **February**

Our corporate partner, the solicitors Irwin Mitchell, raised an incredible £57,000 for the Hospice, thanks to the efforts of their generous staff.

#### **March**

Our 40th anniversary was on 5 March 2019; we celebrated with a gala dinner, a Lunar Society panel debate on the future of hospice care, and a series of interviews on Radio WM. We also became the first hospice in the UK to win the Investors in Diversity Level 2 Award.

### **The year ahead**

We have achieved a great deal during the four years of our Hospice Care for All strategy. When it was launched, our strategy was hailed by Simon Stevens, chief executive of the NHS, as "a clear route map for other hospices across the country to take". As we embark on our next strategy, our priority will be to embed high quality hospice and palliative care in as many sectors and health and social care organisations as we can, so that these principles become mainstream in the years ahead.

As well as working with partners to meet the rising demand for services, we will be shifting the balance towards strengthening and building capacity in end of life care across the city, so that supporting people at end of life becomes everyone's priority.

## **ST. MARY'S HOSPICE LIMITED**

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

For the coming year our focus will be on these priorities in order to support and transform our own service provision as well as integrating palliative care into wider professional practice and change:

- Co-ordination
- Community development
- Awareness raising
- Research
- Education and learning

#### **Co-ordination**

To provide care more efficiently across the whole of our city, we are working with a partner hospice in Birmingham to develop a co-ordinated citywide Hospice at Home and urgent response service. This will improve support to patients and their families as well as the reach across the city.

We will also focus on building resilience of families and carers by growing our family and carer support and our bereavement services.

#### **Community development**

Our community development will build a better understanding of what communities already provide so that we can draw upon this resource for the benefit of patients and families and ensure our services work alongside rather than duplicate community effort.

#### **Awareness**

By raising awareness of the positive role of hospice care we aim to dissolve the fears and myths that remain part of the public consciousness. Through a programme of communications we enable people to share their stories about the impact of hospice care and encourage conversations about death and dying. Listening to others is crucial too, so we reach out to understand the needs of different groups of people.

#### **A reputation for progressive research**

As an award-winning research hospice, we will continue to grow our profile and work within this important area both regionally and nationally. By hosting national research trials and leading our own research projects, we will grow our reputation as a progressive organisation working to improve quality of life for future generations and challenging preconceptions about the role of a hospice.

#### **Education and learning**

We continue to build our education programme in all its forms. This includes developing individuals' own capacity to self-care, through our day hospice services, growing resilience and helping people live well with their condition.

We will expand our education of other professionals by extending our successful Six Steps for Care Homes programme, building the confidence and skills of staff in end of life care to benefit of their residents.

## ST. MARY'S HOSPICE LIMITED

### TRUSTEES' AND STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

#### Influence

As well as delivering care, education and research, the hospice also has a role as a civic leader. We are working to ensure end of life care is a priority in the greater Birmingham area. We contribute to the joint strategic planning of health and social care services for Birmingham and Solihull and strive to ensure end of life care is a core priority in health service planning across the whole system of care.

#### Investment

In order to meet our objectives we must raise more money; our aim is to increase income by £400,000 during in our 40th anniversary year. We have also requested that our level of NHS funding is increased from the 36% of current hospice income to enable us to meet more need whilst developing more efficient services and transformation with other providers.

Our plans for the future are driven by the values of our 40 year old heritage:

- Compassion – we all care
- Contribution – everyone can help
- Collaboration – we all work together
- Honest conversations – about what matters

## Thank you

#### Our People

##### Volunteering

As a volunteer supported organisation, our volunteers are at the heart of our operation, including our Trustees who support the governance and leadership of our organisation. We could not deliver our work free of charge without the generous donation of time from over 350 individuals.

People volunteer for a whole range of reasons and the benefits are wide-ranging: from the feeling of making a difference to people with life-limiting illness, to joining a team and making new friends, to learning new skills and gaining valuable career experience. Volunteers are supported and involved in inductions, briefings and special thank you events each summer.

Volunteer Support Workers had 495 patient contacts last year in person and via phone.

Volunteers in the Family and Carer Support team sent 650 letters to people offering support after their loved one had died.

Collection volunteers have given over 350 hours of their time and raised more than £19,900 in 61 collections this past year.

Our fundraising groups have raised over £17,000 and 1 new fundraising group has been set up.

Collection box coordinators helped raise £29,180 from collection tins across various locations in Birmingham and Sandwell.

## **ST. MARY'S HOSPICE LIMITED**

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

With over 110 volunteers and over one weekend, we raised over £9,894 during The Big Brum Bucket Collection 2018.

Hospice ambassadors have given 57 hours of their time to represent the hospice at 17 events this year, raising awareness of Birmingham St Mary's within the community.

140 retail volunteers have given 38,405 hours of their time supporting our chain of shops.

Gardening volunteers have dedicated 495 hours of their time to maintaining our garden and grounds

Maintenance volunteers spent 120 hours providing safety checks to our fleet of hospice vehicles.

Reception volunteers have welcomed visitors, answered telephone calls, committing 2,506 hours of their time

#### **Trusts and Foundations**

This year we received donations from 79 Trusts and Foundations including:

- BBC Children in Need
- Birmingham Better Care
- Baron Davenport's Charity
- Eveson Charitable Trust
- GJW Turner Trust
- National Lottery Community Fund
- The Roger and Douglas Turner Trust
- William A Cadbury Charitable Trust
- The Morrisons Foundation

#### **Corporate Supporters**

Our corporate partners for 2018/19 were:

Irwin Mitchell, Midland Heart, Jurys Inn, Holiday Inn Express, Fitzgerald, Brindley Place, Platform Securities, Park Regis. Shoosmiths, My Policy, Business Desk, HSBC, FBC Manby Bowdler.

We were also supported by many other local businesses with smaller donations, gifts in kind and pro bono work. This form of support saw an increase of 28% from 2017/18.

The highlight of the year for corporate fundraising was the Jail or Bail event which raised £22,000 for the hospice.

The solicitors firm Irwin Mitchell raised an incredible £57,000 having chosen Birmingham St Mary's Hospice as their charity of the year from 2018.

## ST. MARY'S HOSPICE LIMITED

### TRUSTEES' AND STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

#### Major Giving and Philanthropy

During 2018-19 we generated over £12,375 in personal major gifts.

Major Donors were thanked for their support in funding the Satellite Clinic Project from 2016-2018 with a Christmas event hosted in partnership with Town Hall Symphony Hall. 14 donors attended the evening of music from the Kings College Cambridge Choral Choir. In addition the Hospice 40<sup>th</sup> Anniversary Gala Dinner held on 1<sup>st</sup> March was well supported by our major donor community.

#### Our charity shops: a hospice presence in local high streets

Birmingham St Mary's Hospice retail chain now has 17 shops, continuing to be a valued part of many local high streets. As well as providing customers with a great shopping experience, our shops promote public awareness of the Hospice in the local communities we serve.

The shops are currently made up of two boutiques, one furniture shop, one shop offering both clothing and furniture and 13 general shops.

This year we opened two new shops, one in Bearwood and one in Yardley, featuring our bright new brand on their exterior and interiors.

Highlights:

- Total income from donated stock in these shops £1,217,108 this year, an increase of 12.32 % on last year.
- Helped by a team of up to 130 volunteers who gave us 31,750 hours of their time
- We served over 225,000 customers in our shops this year, an increase of 12% on last year.
- Generated over £70k in gift aid donations – an increase of over 30% on last year

At the end of 2018/19 we closed both our Highgate shop due to it coming to the end of its lease and our shop in Wychall Road which is due to be relocated to a new location in Northfield around easter time 2019.

We re-opened our eBay shop and made sales of £49,066 this year.

We sold a higher number of Christmas cards this year, and our new range of exclusive artist drawn cards of Birmingham landmarks sold out completely. The original artwork was also auctioned off raising £270.

Donated stock is key to successful charity retailing. We have improved income from each bag donated, from £12.36 last year to £13.84 this year, an increase of 12%.

#### Our approach to fundraising

As a charity that relies on voluntary income we take an active and responsible approach to fundraising. A high quality supporter experience is key and as a member of Fundraising Regulator we are firmly committed to ensuring we are compliant with their Code of Practice.

Our fundraising activity is carefully planned using set templates to ascertain campaign feasibility, plan income and expenditure budgets, logistics and health and safety requirements. All supporter data stored on our fundraising database is governed by strict consent, unsubscribe and complaints processes in line with GDPR legislation. Oversight of these processes is carried out by an internal committee of staff, ensuring we keep up to date with new legislation and act where appropriately on supporter feedback. We have a dedicated Supporter Care and Data

## **ST. MARY'S HOSPICE LIMITED**

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

Manager whose role is to ensure that on a day-to-day basis we deliver a gold standard experience for all supporters and that any updates in GDPR or fundraising legislation is fed back to the team at bi-monthly team meetings.

All of our Hospice events are risk assessed and covered by professional insurers whom we work closely with to ensure our supporters are properly protected when registering for an event. All necessary venue permissions, temporary event notices, collection and music licenses, supplier public indemnity insurance and hygiene qualifications are secured for every event hosted at external premises.

Oversight of all fundraising activity carried out by the Hospice is the responsibility of the Trustees, Executive Team and specifically our Income Generation Director. All receive monthly and quarterly reports on activity, complaints and developments.

#### **Ensuring excellent fundraising customer service**

The Hospice is committed to providing an excellent service to supporters and retail customers but we recognise that as campaigns and supporter numbers grow, occasionally things do not go according to plan. With this in mind, we encourage complaints and feedback to help shape the ongoing development of activity and the way in which we work with our supporters.

During 2018/19 the Hospice received eight complaints relating to fundraising:

1 via email; 2 via letter; 5 via telephone

Three related to direct mailings, four to acknowledgement letters or lack of and one related to an event. An internal investigation took place after each complaint to ascertain the cause. This information was fed back to the complainant in a positive manner with the offer of further discussion if they wished.

#### **Ongoing evaluation**

Complaints and feedback help us to monitor the effectiveness of our fundraising activities and we actively review and analyse the complaints we receive in order to recognise trends and take appropriate action at an early stage. Once resolution of the complaint is achieved, learning outcomes are identified and publicised to improve the quality of the service provided, improve relationships with service users, customers and supporters and promote best practice with staff. Should the complainant not be satisfied with the response from the Hospice, we refer them to the Fundraising Regulator for independent adjudication.

The Fundraising Team shares and reviews all feedback received and present this information in a post campaign evaluation report. We respect and value every one of our supporters and strive to learn from each comment and amend our processes where possible, in an endeavour to provide the highest quality service. During the year, we worked hard to ensure that we were communicating with our supporters appropriately and thanking them in a timely manner for their kind donations.

## **ST. MARY'S HOSPICE LIMITED**

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

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Reference and administrative information set out on page 35 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

### **The Articles of Association**

The Articles of Association is the governing document that sets out rules and requirements relating to Association Members; terms of office and election of Trustees and Honorary Officers; disqualification of Trustees; and proceedings of the Board.

There are 60 (2018: 65) members of the Association, with provision for up to 100 members. All Trustees or Directors of the Hospice, its Charitable Trust Fund and Trading Company, are required to be members of the Association. Association Members are appointed after attending an open recruitment or open evening, to learn more about the Hospice, followed by interview process with an appointments panel selected from Trustees, Association Members and Executive Directors, and usually including the Chairman and Chief Executive.

Association Members bring their expertise and professionalism in a voluntary capacity to support our planning, governance committees and other groups.

### **Board of Trustees**

The Board of Trustees (the Board) is the governing body of the Hospice. The purpose of the Board is to agree the strategic direction of the Hospice and to ensure the organisation delivers on its plans and objectives as set out in the governing documents. The Board is accountable for the Hospice's compliance with regulation and legislation as well as ensuring that the values, philosophies and reputation of the Hospice are upheld.

The Board also supports the Chief Executive and Executive Team in carrying out their executive responsibilities and holds them to account for their delegated responsibility for the strategic and operational leadership and management of the Hospice. There is a clear understanding of the distinction between Governance and Management.

There can be up to 15 Trustees on the Hospice Board (with a quorum of five). The Board holds ultimate responsibility for the employment of all Hospice staff who are employees of the Hospice. The Board meets at least four times a year with additional adhoc meetings held as and when required to discuss company structure.

The Board is the final decision-making body for new policy, strategic planning and approval of financial budgets. The Board is also responsible for monitoring the implementation of the strategy and financial activity. The Hospice Chief Executive and Executive Directors attend Board meetings. Trustee and Director Indemnity insurance was provided for the year at an annual cost to the Hospice of £635 (2018: £484) with a limit of indemnity of £1 million.

A maximum of two staff or volunteer observers may attend each Board meeting by prior arrangement.

## **ST. MARY'S HOSPICE LIMITED**

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

#### **Appointment of Trustees**

Appointment of Hospice Trustees may either be by election by the Association at the Annual General Meeting or co-opted by the Board. Members of the Board shall hold office for a fixed term of three years from the date of their appointment.

Members of the Board may be re-elected for a further term or terms of office if their names are among those referred to by the Association. No Trustee can serve for more than three consecutive three-year terms of office without taking at least a one-year break from office.

Trustees are appointed following a recruitment process which may include advertisement or a recruitment event. An expression of interest form and Curriculum Vitae is requested followed by interview with an Appointments Panel of Trustees, Association Members and Executive Directors. The panel will normally include the Chairman and Chief Executive. References are taken and appropriate suitability checks are made prior to appointment, as Trustees may be given power of inspection.

The role of Chair is for up to two terms of 3 years. This also follows a recruitment process supported by succession plan and/or advertisement and search. This includes interview with an Appointments Panel of Trustees, Association Members and Executive Directors. The Honorary President of the Association may also chair the Panel.

#### **Induction and training of Trustees and Association Members**

Trustees and Association Members have a core induction programme supported by bespoke activities depending upon their role. They are also invited to attend the Corporate Induction Day, which includes Information Governance and Safeguarding training, as Trustees are encouraged to participate in Trustee "walkabout" visits. Board Development Sessions are held prior to at least two Board meetings a year and have included:

- Board Effectiveness Review and Self-appraisal – January 2018
- Future Model of Hospice Care – March 2018
- Freedom to Speak Up – July 2018
- Community Development – What it means to the Hospice – January 2019
- Staff Survey Results – March 2019

Trustees are also invited to attend a range of educational sessions including Hospice UK events, giving further opportunities for development. Also held is an annual Away Day of Trustees and Executive Directors. All Away Days consider the Hospice's position in relation to national and local policy in relation to the needs of our local population.

#### **Strategic Leadership and Governance Framework**

The Chief Executive is responsible for the leadership of the Hospice, which involves assisting the Board in determining the strategic vision and plans for the Hospice, and for ensuring effective achievement of those plans. The Chief Executive and Executive Team also ensure that Trustees are actively engaged in exercising their accountabilities and assure effective and transparent governance across the whole organisation. This is provided through a leadership and governance framework of which there is a core leadership and governance structure.

## **ST. MARY'S HOSPICE LIMITED**

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

#### **Leadership**

##### **Executive Team**

The Executive Director Team comprises:

- Chief Executive
- Medical Director/Consultant in Palliative Medicine
- Nursing Director
- Finance Director
- Income Generation Director (Interim)

Meeting fortnightly, this team is engaged at looking at the wider strategic implications of changes that affect the charity sector and the operational environment. Executive Directors have powers to make decisions within the approved budget, operational plan and hospice policies and procedures, including Standing Financial Instructions which set out delegated authority for financial decisions. Finance and Audit Committee (within given limits) or Board Authority is required for investment or service changes outside these parameters.

The Executive Directors have specific responsibilities within the Grievance and Disciplinary procedures.

#### **Governance**

##### **Finance and Audit Committee**

The Finance and Audit Committee is a sub-committee of the Board. Executive Directors are members of the Finance and Audit Committee.

The Committee meets quarterly between Board Meetings and has specific delegated decision making authority from the Board and also makes recommendations to the Board.

The purpose of the Committee is to monitor the strategic, financial and operational planning of the Hospice and acts as the remuneration committee for Executive Director and Chief Executive pay for Board recommendation. It also assesses the audit process and recommends approval of the financial statements to the Board.

##### **Governance Committees**

The Executive Team is responsible for management and assurance of quality and risk through four Governance Committees ensuring that courses of action are taken to minimise and remedy identified risk and poor performance, and that systems are in place to share good practice and continually improve the quality of care, clinical effectiveness and leadership across the Hospice.

Governance Committees have delegated responsibility to approve policies which are then recommended to the Board for ratification. Each committee meets at least once a quarter.

The Governance Committees are:

- Compliance Committee (Health & Safety, Environment, Risk, Information Governance)
- Clinical Governance Committee
- HR Committee
- Communications and Fundraising Steering Group

## **ST. MARY'S HOSPICE LIMITED**

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

The Compliance and Clinical Governance committees are chaired by a Trustee and attended by four of the Executive Director's. The HR Committee is chaired by an Executive Director, with committee membership also including a Trustee and an Association Member with relevant expertise in this field.

#### **Associated Trust Fund and Subsidiary**

##### **The St Mary's Hospice Charitable Trust Fund**

The Charitable Trust Fund is a registered charity. During the year ended 31 March 2019 there were five Trustees, three of whom are currently Hospice Trustees. Meetings were held once a quarter, with a quorum of two Trustees (at least one of which must be a Director of St Mary's Hospice Limited). The Finance Director and Head of Financial Planning and Performance attend with the Investment Manager from Quilter Cheviot, in an advisory capacity.

The sole beneficiary of The Trust Fund is St Mary's Hospice Ltd. Since The Trust Fund came into existence its sole purpose has been to manage an investment fund on behalf of the Hospice and provide the Hospice with income when it was required. As there are administrative costs involved in maintaining the Charitable Trust as a separate legal entity, and no operational or legislative requirements to do so, a decision was made to merge The St. Mary's Charitable Trust Fund with St Mary's Hospice Limited. Following legal advice, on 30 March 2019 the merger was completed and all the assets/liabilities and activities of the Trust Fund were transferred to St Mary's Hospice Limited using merger accounting.

##### **St Mary's Hospice (Trading) Ltd ("the Trading Company")**

The Trading Company is a wholly owned subsidiary of the Hospice. There were 5 directors serving during the year who have accountability for retail and other trading and commercial activities. The Hospice Chief Executive has ultimate responsibility for the management of the Hospice and Trading Company. Three of the current directors are Hospice Trustees. The Finance Director, The Head of Financial Planning and Performance, The Director of Income Generation and the Head of Trading attend the Board meetings, which are held once every three months.

The Trading Company owns a one third share of the equity of TLC Lotteries Ltd (TLC). This company is a joint venture between the Hospice, Acorns Children's Hospice and Focus Birmingham. TLC is managed by a Lottery Manager. The TLC Board of Directors comprises two representatives from each of the three charities. The Hospice representatives are a Trading Company Director and the Director of Income Generation. TLC is a decision-making organisation unless Trustee approval is required from any of the owner charities.

##### **The Birmingham Hospice Ltd**

This company is a wholly owned subsidiary of the Hospice. There were two directors who served during the period, the Hospice Chief Executive and the Hospice Honorary Treasurer. The company was dormant throughout the period.

## **ST. MARY'S HOSPICE LIMITED**

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

#### **FINANCIAL REVIEW**

There was a consolidated surplus overall of £129,275 (2018: £81,920 surplus). The consolidated deficit is made up of a surplus on unrestricted funds of £285,083 (2018: £490,132) and a deficit on restricted funds of £155,808 (2018: £408,212).

The unrestricted funds surplus has arisen due to legacy donations significantly exceeding expectations. Throughout the year an unrestricted deficit had been forecast but four large legacies were received post year end that had a combined value of £654k. In accordance with accounting standards these legacies have been included in legacy income for the year to 31 March 2019.

This positive news is shared with caution as we are forecasting a cumulative deficit in excess of £750k over the next three years. Whilst we continue to work hard to reduce those deficits the level of demand is such that we cannot eliminate them. We face many pressures from the external environment that we have minimal influence over, one of those being the NHS pay deal. The NHS pay deal was formally accepted by healthcare unions in June 2018 and as a result we had to react by awarding a similar award. This award has had an annual impact on our pay costs of £255k but there has been no additional funding received in relation to this.

The Pay award is not the only external pressure that we foresee and as a result, after considering the prevailing external environment, the Trustees have designated funds to support resilience. Further explanation of the purpose of the Resilience Fund can be found in note 16 to the accounts.

Restricted funds are reporting a deficit in the year of £155,808. The deficit has arisen due to timing differences. Restricted funding has been received in previous years, in advance of the projects/services starting. A number of these activities commenced in 2017/18 and continued in 2018/19, being funded by the income that had been received in prior years, thus resulting in expenditure in the 2018/19 accounts that is not matched by income in the same year. See note 16 for more detail of the restricted fund movements.

Realised and unrealised investment gains totalled £72,491 (2018: £110,685).

Charitable activities consisting of Inpatient Services, Community Palliative Care, Day Hospice, Hospice at Home service and Education accounted for 70% (2018: 72%) of expenditure for the year.

Only 36% (2018: 39%) of total incoming resources were generated directly by these charitable activities from the NHS, and therefore the Hospice continues to rely on fundraising and trading activities to help sustain its core services for patients and their families.

#### **Principle sources of funding**

##### **Donations and gifts**

The Hospice was pleased to receive donations and gifts of £473,436 (2018: £444,246), an increase of £29,190 (7%).

##### **Legacies**

Income of £2,342,786 (2018: £1,572,126) was received from gifts generously left by supporters in their wills. This was an increase of £770,660 (49%) year on year; it represents 26% of the Hospice's total funding. This level of legacy income is unprecedented and represents the

## ST. MARY'S HOSPICE LIMITED

### TRUSTEES' AND STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

highest year on record for St Mary's. Bequests remain vital to the Hospice's continued financial viability, and sincere thanks are due to all those people who have remembered the Hospice in this way during the year.

#### **National Health Service grants**

As noted above Income received from the NHS remained fairly stable at £3.26 million (2018: £3.21 million), representing 36% (2018: 39%) of total group income.

#### **Fundraising events and appeals**

Fundraising events and appeals generated income of £1,268,868 (2018: £1,259,356), including £269,541 (2018: £283,196) restricted funding. This was £9,512 (1%) higher than the previous year.

The Trustees remain very grateful for the extremely high level of support received from a range of Charitable Trusts and Foundations.

#### **TLC Lotteries Ltd**

TLC Lotteries Ltd, a joint venture with Acorns Children's Hospice and Birmingham Focus on Blindness, continued to generate net incoming resources of £122,210 (2018: £133,747) for Birmingham St Mary's Hospice. This was £11,537 (8%) less than the previous year's income but the Hospice is very appreciative to consistently receive over £100,000 each year from this venture.

#### **Trading activities and education**

Income from trading increased by £136,216 (11%) compared with the previous year. Trading costs increased by £243,010 (21%). The substantial increase in costs has occurred for a number of reasons. One reason being the fact that there were two new shops opened in the year and one shop closure, all of which resulted in additional costs. There was also a substantial impact to the Trading company when the pay award was given in October 2018.

Trading income included £290,665 (2018: £223,758) relating to donations under the retail Gift Aid scheme, which operates in all of our charity shops. Under this scheme, the Trading Company acts as an agent in selling goods and the owner of the goods can opt to donate the proceeds to the Hospice. The Hospice claims Gift Aid on the amount donated, increasing the total income generated.

Education activities generated income of £79,762 (2018: £114,972) a decrease of £35,210 compared with 2017/18.

#### **Investment income**

Investment income decreased by 6% to £100,558 (2018: £106,959). The majority of this income was earned through the activities of The St Mary's Hospice Charitable Trust Fund.

#### **Reserves policy**

The reserves policy of the Hospice takes into account the nature of the income and expenditure streams and the need to provide against the uncertainty of voluntary income, especially the significant variability of legacy income.

The Trustees have reviewed the risks associated with each major income and expenditure stream and quantified potential variability to determine the value of reserves required. On this basis, the reserves target was set at a minimum of £1.93 million for 2018/19, a level deemed necessary as we went through a period of transformation. Due to a good outturn compared to

## ST. MARY'S HOSPICE LIMITED

### TRUSTEES' AND STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

budget, resulting from a favourable legacy performance and continued good cost control mechanisms, reserves remained ahead of this target at £3.12 million at 31 March 2019. The Group's three year financial forecast predicts cumulative deficits in excess of £750k, therefore the excess reserves and designated funds provide the financial stability required to remain resilient in the prevailing external environment. We have a budgeted reserves target for 2019/20 of £2.31 million, which reflects the continued investment in services and potential voluntary income fluctuations. A source of income which are being more heavily relied upon as our NHS funding diminishes as a proportion of our overall income.

The Executive Team and Board are continuing to work to improve the Hospice's future financial position and to ensure that reserves are maintained in line with the risk-based policy.

The Executive Team work closely with Commissioners regarding future services and sustainability. The Finance and Audit Committee, a sub-committee of the Board, meet five times per year and closely monitor results and future forecasts.

The Restricted fund represents money given to the Hospice for specific capital and project work within the overall aims of the organisation. The funds represent both capital and revenue funds and are detailed in note 16 to the accounts. Grants and donations received for capital purposes are accounted for as a restricted fund and the depreciation of the underlying fixed asset is charged to these funds over their lifetime. Revenue funds are received and will be expensed over the lifetime of the project.

The Trustees have designated funds totalling £2.8 million (2018: £2.2 million) to ring-fence the value of fixed assets retained for the Hospice's operations, to ring-fence unrealised gains on investments and to support the ongoing resilience of the Hospice.

#### Principal risks and uncertainties

Organisational risks are under constant review at the Hospice. The Executive and Business Development Team maintain a 'live' risk register that assesses governance, operational activities and strategic risk.

On a quarterly basis the governance committees (as detailed on page 27) review and challenge the risks relevant to their committee to ensure the level of risk remains appropriate and that mitigating actions are in place to effectively manage the risk.

The risk register includes a Gross, Net and Residual Risk score enabling Trustees and Executives to focus their attention accordingly.

The entire risk register is presented to the Board of Trustees on an annual basis identifying the procedures and systems in place to manage those risks with high risk ratings.

The three most significant gross risks that the Hospice manages currently includes:

#### Financial sustainability

In 2018/19 the Hospice received 36% of its income from the NHS but with the increasing need and competition for NHS End of Life Care contracts this income stream presents a considerable risk. To mitigate against this the Hospice is developing collaborative strategies and partnerships that both demonstrate better value for Commissioners, and improved outcome measures for the population we cover.

Furthermore legacy income represented 26% of income in 2018/19, an extremely unpredictable voluntary source. In 2018 a dedicated legacy officer was employed, and they are now working on a legacy strategy to ensure we maximise the potential of this income stream in the future.

## ST. MARY'S HOSPICE LIMITED

### TRUSTEES' AND STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

The risk in relation to our income streams increases the risk of our ongoing financial sustainability. This risk is mitigated through forward planning and the maintenance of a risk based reserves policy.

The 3 year financial forecast is forecasting cumulative deficits in excess of £750k. We have been very fortunate in the past 2 years as our legacy income has significantly exceeded budget and this has enabled us to designate funds in excess of our reserves policy into a resilience fund. The closing balance of this fund at 31 March 2019 is £830k, thus providing financial resilience in a period where we know demand for our services will significantly outweigh our ability to fund them in year.

However, recognising the ongoing imbalance between service demand and financial affordability, the executive team are reviewing our current service provision and activating contingency plans in an attempt to reduce the forecast deficits.

#### **Workforce planning**

The Hospice employs a wide range of professionals and without effective workforce planning there is a risk that we will under estimate or incorrectly predict the staffing infrastructure required to deliver our strategies. This risk is heightened currently due to the widely reported a lack of qualified medical, nursing and care staff in the UK and unfolding Brexit impact.

To mitigate this risk the HR team have been trained in workforce planning to enable them to deliver training courses to the Business Development team; we have installed a new HR/Payroll system which has improved base line staffing data; learning and development budgets are scrutinised to ensure they are future focussed and finally the HR team are developing tools and templates to assist with workforce planning and will be delivering these in workshops throughout 2019/20.

#### **Lack of direction/strategy and forward planning**

A lack of direction, strategy and forward planning could result in a risk of strategic drift with no clear objectives, priorities or plans; causing patients and family's needs and thus Charitable objects not being fully met.

Additionally the risk of strategic misalignment is heightened with work of other providers creating duplication/potential loss of contracts and poor financial management of Hospice resources.

We mitigate this risk by ensuring there is robust strategy and forward planning in place:

- Our Hospice Strategy (2016-2020) is established, linking into all activity undertaken and evidenced through board reporting and individual employee appraisal;
- We have a rolling 3 year financial forecast which is renewed no less than twice per year;
- We have a 3 year operational plan which measures outcomes against strategy and is reviewed by the Board twice per year;
- We have an annual robust business planning cycle involving all Managers; and
- Regular contact with funders (quarterly commissioning meetings) and partners to align strategies with clinical demands and needs.

We are currently engaging stakeholders in drafting the next five year strategy which commences mid-2020.

#### **Investment policy and performance**

The supervision of the Hospice's investments was undertaken by the St Mary's Hospice Charitable Trust Fund up to 30 March 2019. On 30 March 2019 the St Mary's Hospice Charitable Trust Fund merged with the Hospice and as a result the Hospice will be undertaking the supervision of the Hospice's investment. Although a review will be performed when the first

## ST. MARY'S HOSPICE LIMITED

### TRUSTEES' AND STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

investments committee is held by the Hospice it is the intention that the investment policy, which was set in conjunction with the investment managers Quilter Cheviot, will remain. The objectives of that policy are as follows:

- To aid the creation of a sufficient financial return to enable St Mary's Hospice Limited to carry out its purposes effectively and without interruption, and
- The maintenance and, if possible, enhancement of the funds whilst they are invested

Although generally, the interests of a charity's beneficiaries are best served by seeking to obtain a financial return from a suitably diverse portfolio of investments, the investment manager does have due regard to those assets which could be detrimental to the aims and objectives of St. Mary's Hospice. Investment in the Tobacco sector is not permitted.

Performance targets have been set for the Investment Manager to achieve a return consistent with the objectives set out above whilst maintaining an acceptable level of risk with no holding in a single equity share or pooled investment having a value of more than 7% of the total equity portfolio. Performance of the portfolio is reviewed quarterly with the Investment Manager.

#### Remuneration Policy

The Hospice has published pay scales, which are reviewed annually by the Board of Trustees and staff are remunerated in accordance with them. All new employee job descriptions, and substantive changes, are subject to evaluation by an external HR specialist to determine pay level. Annually all roles are reviewed as part of the standardised Hospice wide appraisal process, and re-evaluated if job descriptions have changed materially. The Finance & Audit Committee oversees remuneration process for the Chief Executive and Executive Directors.

Trustees and committee members do not receive any form of remuneration for their roles.

#### STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The trustees (who are also Directors of St. Mary's Hospice Limited for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic 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 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

## **ST. MARY'S HOSPICE LIMITED**

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

The Trustees are responsible for ensuring adequate accounting records are maintained that disclose, with reasonable accuracy at any time, the financial position of the charitable company and enable assurance that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and 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
- 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at Year End was 60 (2018: 65)

The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

#### **Auditor**

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 23 July 2019 and signed on their behalf by

#### **NIELS DE VOS**

Chairman

## ST. MARY'S HOSPICE LIMITED

### TRUSTEES' AND STRATEGIC REPORT

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## REFERENCE AND ADMINISTRATION DETAILS

### PATRONS

Mrs Judy Dyke LLB, TEP  
Mr Nick Owen BA (Hons)  
Mrs Llewela Bailey  
Mr Brendon Batson OBE

### HONORARY PRESIDENT

Mrs J Millward FCA

### HONORARY VICE PRESIDENTS

Digby, Lord Jones of Birmingham LLB (Hons)  
His Eminence Vincent Nichols, The Cardinal Archbishop of Westminster MA, M.Ed., STL  
Archbishop Bernard Longley (from July 2018)

### BOARD OF TRUSTEES

Mr N de Vos BA (Hons) (Chair)  
Mr M J Russell JP, FCA (Vice-Chair) (Honorary Treasurer until October 2018)  
Ms S Ali  
Ms S Benton BA (Hons) CIM  
Mr J K Crawford MRICS  
Dr K Deacon MB ChB (appointed 10 October 2018)  
Ms K E Dowman MSc Dip IHSM  
Mr C L Graham BSc, MSs, AIOSH  
Dr S Y Jameel FRCGP, MBBS, BMedSci, DFSRH, M.MedEd  
Mr S W Leyland AIB  
Mr G S Mandla LLB (Hons) Solicitor  
Dr S Mitchell (resigned 15 May 2018)  
Mrs D H McLellan LLB (Hons)  
Mrs G M Stanley BDS, MSc (resigned 10 October 2018)  
Mr A S Williams BSc, FCA

### HONORARY SECRETARY

Ms T L Swani, MBA, FCIM Chartered Marketer

### EXECUTIVE OFFICERS

Chief Executive	Ms T L Swani MBA, FCIM Chartered Marketer
Nursing Director	Mrs H O'Halloran RN, MSc, BSc (Hons)
Finance Director	Mrs L V Breeze FCCA
Income Generation Director (Interim)	Ms H Barrett BA (Hons) (from Sept. 2018)
Medical Director/Consultant in Palliative Medicine	Dr D Talbot MBChB, FRCP, AHEA

## **ST. MARY'S HOSPICE LIMITED**

### **TRUSTEES' AND STRATEGIC REPORT**

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#### **REGISTERED OFFICE**

176 Raddlebarn Road  
Selly Park  
Birmingham  
B29 7DA

#### **AUDITOR**

Sayer Vincent LLP  
Chartered Accountants and Statutory Auditor  
Invicta House  
108-114 Golden Lane  
London  
EC1Y0TL

#### **BANKERS**

National Westminster Bank Plc  
33 Park Street  
Walsall  
WS1 1ER

#### **INVESTMENT MANAGERS**

Quilter Cheviot  
8<sup>th</sup> Floor  
Two Snowhill  
Birmingham  
B4 6GA

#### **REGISTERED CHARITY NUMBER**

503456

#### **COUNTRY OF REGISTRATION**

England and Wales

#### **REGISTERED COMPANY NUMBER**

1161308

#### **COUNTRY OF INCORPORATION**

United Kingdom

## ST. MARY'S HOSPICE LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF ST. MARY'S HOSPICE LIMITED FOR THE YEAR ENDED 31 MARCH 2019

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We have audited the financial statements of St Mary's Hospice Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the consolidated and parent charitable company statement of financial activities, the consolidated and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 of the parent charitable company's affairs as at 31 March 2019 and of the group's and parent charitable company'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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

#### **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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

## **ST. MARY'S HOSPICE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF ST. MARY'S HOSPICE LIMITED FOR THE YEAR ENDED 31 MARCH 2019**

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#### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

**Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the 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 the 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**

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions

## ST. MARY'S HOSPICE LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF ST. MARY'S HOSPICE LIMITED FOR THE YEAR ENDED 31 MARCH 2019

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may cause the group or the parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Fleur Holden (Senior statutory auditor)

3 September 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

# ST. MARY'S HOSPICE LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) For the year ended 31 March 2019

	Note	2019			2018	
		Unrestricted General £	Designated £	Restricted £	Total £	Total £
<b>Income</b>						
Donations and legacies	3	2,816,222	-	-	2,816,222	2,016,372
Charitable activities	4	3,337,555	-	-	3,337,555	3,326,384
Activities for generating funds	5	2,367,027	-	269,541	2,636,568	2,490,841
Investments	6	100,558	-	-	100,558	106,959
Other income		52,743	-	-	52,743	155,474
Share of net income in joint venture		122,210	-	-	122,210	133,747
<b>Total Income</b>		<b>8,796,315</b>	<b>-</b>	<b>269,541</b>	<b>9,065,856</b>	<b>8,229,777</b>
<b>Expenditure</b>						
Expenditure on raising funds	8	2,639,727	56,371	-	2,696,098	2,310,982
Expenditure on charitable activities	8	5,822,490	65,135	425,349	6,312,974	5,947,560
<b>Total expenditure</b>		<b>8,462,217</b>	<b>121,506</b>	<b>425,349</b>	<b>9,009,072</b>	<b>8,258,542</b>
<b>Net group income / (expenditure) before net gains / (losses) on investments</b>		<b>334,098</b>	<b>(121,506)</b>	<b>(155,808)</b>	<b>56,784</b>	<b>(28,765)</b>
Net gains / (losses) on investments		96,699	(24,208)	-	72,491	110,685
<b>Net income / (expenditure) for the year</b>		<b>430,797</b>	<b>(145,714)</b>	<b>(155,808)</b>	<b>129,275</b>	<b>81,920</b>
Transfer between funds		(748,495)	748,495	-	-	-
<b>Net movement in funds</b>		<b>(317,698)</b>	<b>602,781</b>	<b>(155,808)</b>	<b>129,275</b>	<b>81,920</b>
Total funds brought forward		3,434,988	2,214,390	2,715,163	8,364,541	8,282,621
Total funds carried forward		<b>3,117,290</b>	<b>2,817,171</b>	<b>2,559,355</b>	<b>8,493,816</b>	<b>8,364,541</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Movements in funds are disclosed in Note 16a to the financial statements.

The notes on pages 46 to 66 form part of these financial statements.

# ST. MARY'S HOSPICE LIMITED

## PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) For the year ended 31 March 2019

	2019			Total £	2018 *Restated Total £
	Unrestricted General £	Designated £	Restricted £		
<b>Income</b>					
<b>Donations and legacies</b>					
Legacies	2,342,786	-	-	2,342,786	1,572,126
Donations & gifts	473,436	-	-	473,436	444,246
<b>Other trading activities</b>					
Fundraising events and appeals	999,327	-	269,541	1,268,868	1,259,356
Activities for generating funds	1,123,270	-	-	1,123,270	747,617
Income from TLC Lotteries Ltd	119,731	-	-	119,731	132,640
Investment income	100,284	-	-	100,284	106,911
<b>Income from charitable activities</b>					
NHS Grant	3,257,793	-	-	3,257,793	3,211,412
Education	75,226	-	-	75,226	99,573
<b>Other income</b>	<b>52,743</b>	<b>-</b>	<b>-</b>	<b>52,743</b>	<b>155,474</b>
<b>Total Income</b>	<b>8,544,596</b>	<b>-</b>	<b>269,541</b>	<b>8,814,137</b>	<b>7,729,355</b>
<b>Expenditure</b>					
<b>Expenditure on raising funds</b>					
Expenditure on donations and legacies	1,295,999	5,010	-	1,301,009	1,163,091
Trading	872,635	1,432	-	874,067	694,679
Investment Management	5,704	-	-	5,704	4,250
<b>Expenditure on charitable activities</b>					
Inpatient Services	3,595,730	47,195	140,093	3,783,018	3,602,250
Community Palliative Care	1,163,669	4,008	127,523	1,295,200	1,324,249
Day Hospice	458,027	10,805	121,332	590,164	551,704
Hospice at Home	498,905	1,642	18,110	518,657	340,346
Education	98,496	1,485	18,291	118,272	120,141
<b>Total expenditure</b>	<b>7,989,165</b>	<b>71,577</b>	<b>425,349</b>	<b>8,486,091</b>	<b>7,800,710</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>	<b>555,431</b>	<b>(71,577)</b>	<b>(155,808)</b>	<b>328,046</b>	<b>(71,355)</b>
Net gains / (losses) on investments	96,699	(24,208)	-	72,491	110,685
<b>Net income / (expenditure) before transfers</b>	<b>652,130</b>	<b>(95,785)</b>	<b>(155,808)</b>	<b>400,537</b>	<b>39,330</b>
Transfer between funds	(629,640)	629,640	-	-	-
<b>Net movement in funds</b>	<b>22,490</b>	<b>533,855</b>	<b>(155,808)</b>	<b>400,537</b>	<b>39,330</b>
Total funds brought forward	3,260,263	2,098,627	2,715,163	8,074,053	8,034,723
Total funds carried forward	3,282,753	2,632,482	2,559,355	8,474,590	8,074,053

\* Restated to account for the merger of St Mary's Hospice Limited and The St Mary's Hospice Charitable Trust Fund. Further details can be found in accounting policies and note 22 to the accounts.

**CONSOLIDATED BALANCE SHEET**  
**As at 31 March 2019**

	Notes	2019		2018	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	10		3,612,817		3,537,572
Listed investments	11		3,210,950		3,403,087
Investment in joint venture	11		18,886		16,407
			<u>6,842,653</u>		<u>6,957,066</u>
<b>Current Assets</b>					
Inventories	12	8,046		23,190	
Debtors	13	1,544,133		848,390	
Cash at bank and in hand		1,058,793		1,172,991	
		<u>2,610,972</u>		<u>2,044,571</u>	
<b>Creditors: Amounts falling due within one year</b>	14		<u>880,375</u>		<u>637,096</u>
<b>Net Current Assets</b>			<b>1,730,597</b>		<b>1,407,475</b>
<b>Creditors: Amounts falling due after one year</b>	14		<u>(79,434)</u>		<u>-</u>
<b>Net Assets</b>			<u><b>8,493,816</b></u>		<u><b>8,364,541</b></u>
<b>Funds</b>					
Restricted funds	16		2,559,355		2,715,163
<i>Unrestricted funds:</i>					
Designated funds	16		2,817,171		2,214,390
General charitable funds	16		3,110,850		3,154,807
Non-charitable trading funds	16		<u>6,440</u>		<u>280,181</u>
			<u><b>8,493,816</b></u>		<u><b>8,364,541</b></u>

Approved and authorised for issue by the board on 23 July 2019 and signed on its behalf

**A Williams**  
Trustee

The notes on pages 46 to 66 form part of these financial statements.

**PARENT CHARITY BALANCE SHEET**  
As at 31 March 2019

	Notes	2019		2018	
		£	£	*Restated £	£
<b>Fixed Assets</b>					
Tangible Fixed Assets	10		3,447,014		3,438,217
Investments	11		1,000		1,000
Listed Investments	11		3,210,950		3,403,087
			<u>6,658,964</u>		<u>6,842,304</u>
<b>Current Assets</b>					
Debtors	12	1,700,766		809,231	
Cash at bank and in hand		962,456		992,630	
			<u>2,663,222</u>		<u>1,801,861</u>
<b>Creditors: Amounts falling due within one year</b>	14	768,162		570,112	
<b>Net Current Assets</b>			1,895,060		1,231,749
<b>Creditors: Amounts falling due after one year</b>	14		(79,434)		-
<b>Net Assets</b>			<u>8,474,590</u>		<u>8,074,053</u>
<b>Funds</b>					
Restricted funds	16		2,559,355		2,715,163
<i>Unrestricted funds:</i>					
Designated funds	16		2,632,482		2,098,627
General charitable funds	16		3,282,753		3,260,263
			<u>8,474,590</u>		<u>8,074,053</u>

\* Restated to account for the merger of St Mary's Hospice Limited and The St Mary's Hospice Charitable Trust Fund. Further details can be found in accounting policies and note 22 to the accounts.

**Approved and authorised for issue by the board on 23 July 2019 and signed on its behalf**

**A Williams**  
Trustee

The notes on pages 46 to 66 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASHFLOWS**  
For the year ended 31 March 2019

	2019	2018
	£	£
<b>Cashflows from operating activities</b>		
Net income / (expenditure) for the reporting period	56,784	(28,765)
Adjustments for:		
Depreciation	290,746	278,423
Loss on sale of property, plant and equipment	-	1,580
(Gains)/loss on investments	(2,479)	(1,102)
Investment income	(100,558)	(106,959)
Trade and other receivables	(695,743)	187,842
Inventories	15,144	29,596
Trade and other payables	322,713	(155,200)
<b>Net cash (outflow)/inflow from operating activities</b>	<u>(113,393)</u>	<u>205,416</u>
<b>Cashflows from investing activities:</b>		
Purchase of property, plant and equipment	(365,991)	(128,359)
Purchase of investments	(412,116)	(749,085)
Proceeds on disposal of investments	717,470	847,957
Interest received	1,976	387
Investment income	98,582	106,573
<b>Net cash inflow from investing activities</b>	<u>39,921</u>	<u>77,473</u>
<b>Change in cash and cash equivalents</b>	<u>(73,472)</u>	<u>282,889</u>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Change in net funds from cash flow and movement in net funds in the period	(73,472)	282,889
Net cash at previous year end	1,260,555	977,666
<b>Net cash and cash equivalents at year end</b>	<u>1,187,083</u>	<u>1,260,555</u>
<b>Analysis of cash and cash equivalents</b>		
Cash at bank and in hand	1,058,793	1,172,991
Cash held by investment managers	128,290	87,564
	<u>1,187,083</u>	<u>1,260,555</u>

The notes on pages 46 to 66 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2019

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#### 1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

##### **Statutory information**

St. Mary's Hospice Limited is a charitable company limited by guarantee and is incorporated in England. The registered office is 176 Raddlebarn Road, Selly Park, Birmingham, B29 7DA.

##### **Basis of preparation**

The 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

##### **Consolidation**

The financial statements include the results of St. Mary's Hospice (Trading) Limited.

TLC Lotteries Ltd (TLC) is a joint venture where the Group holds its interest on a long-term basis and TLC is jointly controlled by the Group and other ventures under a contractual agreement. The investment in TLC is therefore included in the consolidated financial statements using the equity method. The Group discloses its share of TLC's turnover and operating result in the Statement of Financial Activities. The year end of TLC is 31 December. Therefore the investment in the joint venture is included using management accounts to 31 March 2019.

##### **Merger Accounting and Restatement of Previous Year Results**

These financial statements merge twelve months' results of St Mary's Hospice Limited and 12 months of The St Mary's Hospice Charitable Trust Fund on a line by line basis. The comparatives consist of twelve months' results of the two entities for the year ended 31 March 2018 on a line by line basis. Any inter-company transactions are eliminated upon merger. More details on the basis of the merger and the individual results of the two entities can be found in note 22.

##### **Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

##### **Going concern**

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

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**1 ACCOUNTING POLICIES (Continued)****Income**

Income is recognised in the year in which it is receivable. For legacies, entitlement is taken as the earlier of the date on which either:

- the Charity is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made;
- when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

The value of voluntary work is not included in the financial statements.

**Gifts in kind**

Donated land and buildings are recognised in income at their fair value when the economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity.

**Designated funds**

The group has created designated funds in order to:

- ring fence the value of fixed assets, to the extent that this is not covered by relevant restricted funds; and
- reflect the unrealised element of gains on investments
- support transformation and investment in services.

**Restricted funds**

These are funds for a specific purpose which have been allocated solely according to the terms of each appeal. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work.

Depreciation on assets purchased from restricted funds is classified according to the area in which the related assets are used.

**Fixed assets**

Assets are capitalised where the purchase price exceeds £750 for the Hospice and exceeds £350 for St. Mary's Hospice (Trading) Limited. Assets are recognised at cost.

Depreciation on assets are allocated to activities on the basis of use of their use in those activities.

**Impairment**

Assets are reviewed for impairment if circumstances indicate their carrying value may exceed the net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2019**1 ACCOUNTING POLICIES (Continued)****Depreciation**

Depreciation is provided at the following annual rates to write off the cost less the estimated residual value of the assets over their expected useful economic lives:

Freehold buildings	-	2% straight line
Leasehold premises and improvements	-	Over the term of the leases, or to the date of first break clause
Fittings and equipment	-	10% to 20% straight line
Computer equipment	-	33 <sup>1</sup> / <sub>3</sub> % straight line
Motor vehicles	-	20% straight line
Plant and machinery	-	20% straight line

No depreciation is provided on freehold land.

**Capitalisation**

Expenditure of a capital nature will be expensed in the year of acquisition if the value is less than £750 for the Hospice and less than £350 for St. Mary's Hospice (Trading) Limited.

**Inventories**

Inventories comprise merchandising goods for resale and are stated at the lower of cost and net realisable value, on a first in, first out basis.

**Repairs and renewals**

All expenditure on repairs and renewals is written off in the year in which it is incurred.

**Operating leases**

Payments made under operating leases are charged to the income and expenditure account on a straight line basis over the term of the lease or until the next review point, whichever is earlier.

**Pension costs**

The Charity is one of a number of participating employers in the National Health Service Pension Scheme. It is, therefore, not possible to allocate any actuarial surplus or deficit and consequently, contributions to the National Health Service Pension Scheme are charged to the income and expenditure account in the year in which they become payable. The scheme has both defined benefits and contributions, any shortfall in the national fund being met by the Exchequer. In addition, contributions are made into two defined contribution pension schemes which are also charged to the income and expenditure account in the year in which they become payable.

**Fundraising costs**

Fundraising costs represent expenditure in relation to staff members who are directly engaged in fundraising and the related costs of fundraising. These have been allocated to 'costs of generating voluntary income'. Details of allocated support costs can be found in note 8.

**Governance costs**

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity. Details of allocated support costs can be found in note 8.

**Cost allocation**

Where possible, costs have been allocated directly to the activity to which they relate. However, there are also shared support costs that enable the Hospice's charitable, income generating and governance activities to be undertaken. These costs have been allocated to the Hospice's activities using appropriate cost drivers as follows:

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2019

#### 1 ACCOUNTING POLICIES (Continued)

- staff numbers for administration, human resources, finance, information management and facilities costs; and
- floor area for maintenance.

#### Investment accounting

Investments are stated at their fair value as at the balance sheet date. All movements in value arising from a change in the fair value of an investment are shown in the statement of financial activities as an unrealised gain or loss. Realised gains or losses on investments are calculated as the difference between the disposal proceeds and the cost of the investment.

#### Use of estimates

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. No significant judgements, estimates or assumptions were made in the preparation of these financial statements other than those identified in the other accounting policies disclosed.

#### Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of loans which are subsequently measured at amortised cost using the effective interest method.

#### 2 NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

The Charity has a wholly owned trading subsidiary incorporated in the UK, St. Mary's Hospice (Trading) Limited which is involved in the sale of donated goods and provision of education services. A summary of its trading results are shown below:

	2019 £	2018 £
<b>Statement of income and retained earnings</b>		
Turnover	1,050,955	992,710
Cost of sales	(69,413)	(77,005)
Gross profit	<u>981,542</u>	<u>915,705</u>
Administrative expenses	(1,041,693)	(874,269)
Interest receivable	274	47
Total comprehensive (expenditure)/income	<u>(59,877)</u>	<u>41,483</u>
(Loss)/Retained earnings	<u>(59,877)</u>	<u>41,483</u>
Retained earnings at the beginning of the year	279,181	237,698
Total comprehensive (expenditure)/income	(59,877)	41,483
Gift aid distribution to parent charity	(213,864)	-
Retained earnings at the end of the year	<u>5,440</u>	<u>279,181</u>

At the end of the year, the company had aggregate assets of £426,147 (2018: £451,201), liabilities of £419,707 (2018: £171,020) and net shareholders' funds of £6,440 (2018: £280,181).

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2019

## 2 NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY (Continued)

### The St Mary's Hospice Charitable Trust Fund

Due to the merger of The St Mary's Hospice Charitable Trust Fund and St Mary's Hospice Limited on 30 March 2019 merger accounting rules have been applied to these financial statements. As a result the financial results of the Charitable Trust are included within those of the parent company and are not disclosed separately in this note.

## 3 DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	Total 2019 £	Unrestricted £	Restricted £	Total 2018 £
Legacies	2,342,786	-	2,342,786	1,572,126	-	1,572,126
Donations & gifts	473,436	-	473,436	444,246	-	444,246
	2,816,222	-	2,816,222	2,016,372	-	2,016,372

## 4 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	Total 2019 £	Unrestricted £	Restricted £	Total 2018 £
NHS Grant	3,257,793	-	3,257,793	3,211,412	-	3,211,412
Education	79,762	-	79,762	114,972	-	114,972
	3,337,555	-	3,337,555	3,326,384	-	3,326,384

## 5 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted £	Restricted £	Total 2019 £	Unrestricted £	Restricted £	Total 2018 £
Fundraising events and appeals	999,327	269,541	1,268,868	976,160	283,196	1,259,356
Trading activities	1,367,700	-	1,367,700	1,231,485	-	1,231,485
	2,367,027	269,541	2,636,568	2,207,645	283,196	2,490,841

## 6 INVESTMENT INCOME

	Unrestricted £	Restricted £	Total 2019 £	Unrestricted £	Restricted £	Total 2018 £
Investments	98,582	-	98,582	106,572	-	106,572
Interest received	1,976	-	1,976	387	-	387
	100,558	-	100,558	106,959	-	106,959

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2019**7 NET INCOME / (EXPENDITURE) FOR THE YEAR**

This is stated after charging / (crediting):

	2019	2018
	£	£
Expenditure includes the following:		
Depreciation charges	290,746	278,423
Auditor's remuneration:		
- Audit	14,100	13,510
- Tax fees	3,500	1,500
Hire of office equipment	4,329	4,978
Hire of other assets	204,125	190,722
Loss on sale of fixed assets	-	1,587

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

**8a ANALYSIS OF EXPENDITURE (CURRENT YEAR)**

	Direct costs			Staff & agency	Support Costs			2019 Total	2018 Total *Restated	
	Staff & agency	Depn	Governance		Other	Depn	Governance			Other
<b>Expenditure</b>										
<b>Expenditure on raising funds</b>										
Expenditure on donations and legacies	684,145	-	-	337,350	216,358	5,010	-	58,146	1,301,009	1,163,092
Trading	853,746	49,929	-	478,305	1,210	1,432	-	4,763	1,389,385	1,146,374
Investment Management	-	-	-	5,698	-	-	-	6	5,704	4,250
	<u>1,537,891</u>	<u>49,929</u>	<u>-</u>	<u>821,353</u>	<u>217,568</u>	<u>6,442</u>	<u>-</u>	<u>62,915</u>	<u>2,696,098</u>	<u>2,313,716</u>
<b>Expenditure on charitable activities</b>										
Inpatient services	2,484,737	90,223	28,566	362,728	517,722	47,195	29,591	225,144	3,785,906	3,605,131
Community palliative care	1,021,386	5,578	8,850	57,727	148,791	4,008	9,168	40,586	1,296,094	1,325,142
Day Hospice	333,850	63,139	1,420	95,617	46,824	10,805	1,471	37,181	590,307	551,848
Hospice at home	367,209	-	4,334	14,544	101,952	1,642	4,490	24,925	519,096	340,783
Education	67,494	10,301	1,092	8,825	22,858	1,485	1,132	8,384	121,571	121,922
<b>Total Expenditure</b>	<u>5,812,567</u>	<u>219,170</u>	<u>44,262</u>	<u>1,360,794</u>	<u>1,055,715</u>	<u>71,577</u>	<u>45,852</u>	<u>399,135</u>	<u>9,009,072</u>	<u>8,258,542</u>

Support costs and Governance costs have been allocated based on staff numbers, floor area or direct costs as appropriate.

Governance costs comprise:

	£
Audit & accountancy	14,100
Legal & professional fees	27,467
Professional subscriptions	3,134
Allocated support costs - pay	30,152
Allocated support costs - non pay	15,261
	<u>90,114</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2019

**8b ANALYSIS OF EXPENDITURE (PRIOR YEAR)**

	Staff & agency	Direct costs			Staff & agency	Support Costs			2018 Total *Restated	2017 Total
		Depn	Governance	Other		Depn	Governance	Other		
<b>Expenditure</b>										
<b>Expenditure on raising funds</b>										
Expenditure on donations and legacies	643,047	-	-	260,437	197,827	4,100	-	57,681	1,163,092	1,084,820
Trading	678,594	47,452	-	413,912	1,311	1,171	-	3,934	1,146,374	1,118,946
Investment Management	-	-	-	4,245	-	-	-	5	4,250	1,350
	1,321,641	47,452	-	678,594	199,138	5,271	-	61,620	2,313,716	2,205,116
<b>Expenditure on charitable activities</b>										
Inpatient services	2,342,268	91,689	19,540	323,800	537,230	38,615	30,946	221,043	3,605,131	3,309,752
Community palliative care	1,036,341	5,119	6,054	62,972	156,732	3,280	9,588	45,056	1,325,142	1,158,916
Day Hospice	347,122	62,915	972	66,083	34,458	8,841	1,539	29,918	551,848	433,442
Hospice at home	225,730	-	2,965	8,452	76,460	1,343	4,695	21,138	340,783	363,271
Education	71,843	14,433	747	4,536	20,256	1,215	1,184	7,708	121,922	146,417
<b>Total Expenditure</b>	<b>5,344,945</b>	<b>221,608</b>	<b>30,278</b>	<b>1,144,437</b>	<b>1,024,274</b>	<b>58,565</b>	<b>47,952</b>	<b>386,483</b>	<b>8,258,542</b>	<b>7,616,914</b>

Support costs and Governance costs have been allocated based on staff numbers, floor area or direct costs as appropriate.

Governance costs comprise:

	£
Audit & accountancy	16,510
Legal & professional fees	7,820
Professional subscriptions	6,089
Allocated support costs - pay	30,689
Allocated support costs - non pay	17,122
	78,230

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2019

#### 9 EMPLOYEES

The average number of employees employed by the group during the year was as follows:

	2019	2018
	No.	No.
Full time	96	101
Part time	166	139

Staff and agency costs consist of:

	£	£
Wages and salaries	5,535,386	4,940,759
Social security costs	479,238	427,457
Pension costs	403,217	372,787
Redundancy costs	6,976	1,550
Termination costs	2,570	-
	<u>6,427,387</u>	<u>5,742,553</u>
Agency staff	468,941	658,863
Chaplaincy costs	2,105	2,735
	<u>6,898,433</u>	<u>6,404,151</u>

All redundancy and termination costs were paid as at 31 March 2019 (2018: all were paid as at 31 March 2018).

Holiday pay accrued as at 31 March 2019 was £39,805 (2018: £24,132).

Agency costs include temporary staffing costs and employment costs recharged to the Hospice in respect of our Medical Director and Specialist Registrars whose employment contracts are held by the NHS.

No remuneration was paid to any Board Member during the year or to persons with a family or business connection with any Board Member.

During the year, no (2019: none) Board Members received expenses for the attendance at Board Member meetings (2018: £nil). Trustee indemnity insurance was provided at an annual cost to the Hospice of £635 (2018: £484) with a limit of indemnity of £1 million (2018: £1 million).

The number of employees (which excludes those remunerated through a service level agreement) earning over £60,000 pa, excluding employers' NI and pension contributions, was:

	2019	2018
	Number	Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

Pension contributions for the above employees amounted to £35,990 (2018: £22,680). The employees were members of the defined contribution scheme.

Remuneration and benefits which include employers' NI and employers' pension were paid to 5 key management personnel during the year. The total amount paid was £483,244 (2018: £486,392). This includes the remuneration of one member of key management who is remunerated through a service level agreement with University Hospital Birmingham.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2019

**10 TANGIBLE FIXED ASSETS**

Group	Freehold Land £	Freehold Property £	Short leasehold improvements £	Fittings equipment & motor vehicles £	Total £
<b>Cost</b>					
At beginning of year	500,000	5,358,190	203,786	2,092,843	8,154,819
Additions	-	1,380	46,182	318,429	365,991
Disposals	-	-	(12,418)	-	(12,418)
At end of year	500,000	5,359,570	237,550	2,411,272	8,508,392
<b>Depreciation</b>					
At beginning of year	-	2,746,864	168,174	1,702,209	4,617,247
Provided for the year	-	128,747	18,007	143,992	290,746
Disposals	-	-	(12,418)	-	(12,418)
At end of year	-	2,875,611	173,763	1,846,201	4,895,575
<b>NBV</b>					
As at 31 March 2019	500,000	2,483,960	63,787	565,071	3,612,817
As at 31 March 2018	500,000	2,611,326	35,612	390,634	3,537,572

Charity *Restated	Freehold land £	Freehold property £	Fittings equipment & motor vehicles £	Total £
<b>Cost</b>				
At beginning of year	500,000	5,306,955	1,817,348	7,624,303
Additions	-	-	249,615	249,615
At end of year	500,000	5,306,955	2,066,963	7,873,918
<b>Depreciation</b>				
At beginning of year	-	2,699,538	1,486,548	4,186,086
Provided for the year	-	126,859	113,959	240,818
At end of year	-	2,826,397	1,600,507	4,426,904
<b>NBV</b>				
As at 31 March 2019	500,000	2,480,558	466,456	3,447,014
As at 31 March 2018	500,000	2,607,417	330,800	3,438,217

All of the above assets are used for charitable purposes.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2019

#### 11a FIXED ASSET INVESTMENTS (JOINT VENTURE)

St. Mary's Hospice (Trading) Limited owns a one third share in the net assets of TLC Lotteries Limited, a company incorporated in England. This joint venture promotes a commercial lottery game, which aims to generate profits for the benefit of its affiliated charities.

The directors consider that the value of £18,886 (2018: £16,407) which equates to the group's share of the underlying net assets of the joint venture to be the best estimate of its market value at 31 March 2019. The historical cost of the investment is £5,100.

TLC Lotteries Ltd	2019	2018
	£	£
<b>Group share of net assets</b>		
As at 1 April	16,407	15,301
Share of profit	122,210	133,746
Amounts withdrawn under gift aid	(119,731)	(132,640)
	<u>18,886</u>	<u>16,407</u>
Represented by:		
Share of gross assets	56,823	60,180
Share of gross liabilities	(37,937)	(43,773)
	<u>18,886</u>	<u>16,407</u>

#### 11b FIXED ASSET INVESTMENTS (LISTED INVESTMENTS)

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	*Restated £
Listed investments at fair value	<u>3,210,950</u>	<u>3,403,087</u>	<u>3,210,950</u>	<u>3,403,087</u>

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Securities	3,082,660	3,315,523	3,082,660	3,315,523
Cash Holdings	128,290	87,564	128,290	87,564
Total funds	<u>3,210,950</u>	<u>3,403,087</u>	<u>3,210,950</u>	<u>3,403,087</u>

#### Movement in listed investments

Fair value at beginning of year	3,403,087	3,436,044	3,403,087	3,436,044
Additions at cost	412,116	749,085	412,116	749,085
Proceeds received on disposals	(718,626)	(848,594)	(718,626)	(848,594)
Proceeds received on reconciliations	1,156	638	1,156	638
Realised surplus of disposals	96,699	154,844	96,699	154,844
Unrealised gain/(loss) for the year	(24,208)	(44,159)	(24,208)	(44,159)
Cash movement on capital account	40,726	(44,771)	40,726	(44,771)
Fair value at the end of the year	<u>3,210,950</u>	<u>3,403,087</u>	<u>3,210,950</u>	<u>3,403,087</u>

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2019

#### 11c FIXED ASSET INVESTMENTS (SUBSIDIARY UNDERTAKING)

Charity	2019	2018
	£	£
Shares in subsidiary undertaking at cost	1,000	1,000

St Mary's Hospice Limited has a wholly owned subsidiary, St Mary's Hospice (Trading) Limited, a company incorporated in England. Details may be found in Note 2.

#### 12 INVENTORIES

	Group	2018	Charity	2018
	2019	2018	2019	2018
	£	£	£	£
				*Restated
Merchandising goods	8,046	23,190	-	-

There is no material difference between the replacement cost and the value given to goods in stock.

#### 13 DEBTORS

	Group	2018	Charity	2018
	2019	2018	2019	2018
	£	£	£	£
				*Restated
Amounts owed by subsidiary	-	-	307,494	99,325
Trade debtors	24,602	69,728	12,446	46,256
Other debtors	95,699	122,120	27,234	87,684
Prepayments	279,789	148,897	212,420	75,846
Accrued income	1,144,043	507,645	1,141,172	500,120
	1,544,133	848,390	1,700,766	809,231

Other debtors for the group include £27,234 and £68,465 (2018: £10,349 and £38,082) in respect of VAT for St Mary's Hospice (Trading) Limited and St Mary's Hospice Limited respectively. Accrued income for the group and charity includes legacy income of £1,111,780 (2018: £436,441).

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2019

**14a CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR**

	<b>Group</b>		<b>Charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>*Restated £</b>
Trade creditors	361,463	200,086	276,521	166,619
Other creditors	102,231	55,811	102,231	55,810
Taxation and social security	129,170	120,668	129,170	120,668
Accruals	257,832	235,689	230,561	201,108
Deferred income	29,679	24,842	29,679	25,907
	<b>880,375</b>	<b>637,096</b>	<b>768,162</b>	<b>570,112</b>

**Deferred income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
At start of year	24,842	76,606
New provision in the year	29,679	24,842
Released in the year	(24,842)	(76,606)
At end of year	<b>29,679</b>	<b>24,842</b>

**14b CREDITORS: AMOUNTS FALLING DUE  
AFTER ONE YEAR**

	<b>Group</b>		<b>Charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>*Restated £</b>
Other creditors: 2-5 years	79,434	-	79,434	-
	<b>79,434</b>	<b>-</b>	<b>79,434</b>	<b>-</b>

Other creditors represents the liability to MHR International, the provider of the group's integrated HR and Payroll system which was installed during 2018/19. The value of implementation is contracted to be repaid over a 5 year period.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2019

**15a ANALYSIS OF NET ASSETS BETWEEN FUNDS (CURRENT YEAR)**

	Unrestricted £	Restricted £	Total funds 2019 £	Total funds 2018 £
<b>The Group</b>				
Tangible fixed assets	1,371,359	2,241,458	3,612,817	3,537,572
Listed investments	3,210,950	-	3,210,950	3,403,087
Investment in joint venture	18,886	-	18,886	16,407
Current assets	2,293,075	317,897	2,610,972	2,044,571
Current liabilities	(880,375)	-	(880,375)	(637,096)
Long term liabilities	(79,434)	-	(79,434)	-
<b>Total net assets</b>	<b>5,934,461</b>	<b>2,559,355</b>	<b>8,493,816</b>	<b>8,364,541</b>
<b>The Charity</b>				
Tangible fixed assets	1,205,556	2,241,458	3,447,014	3,438,217
Listed investments	3,210,950	-	3,210,950	3,403,087
Investment in joint venture	1,000	-	1,000	1,000
Current assets	2,345,325	317,897	2,663,222	1,801,861
Current liabilities	(768,163)	-	(768,162)	(570,112)
Long term liabilities	(79,434)	-	(79,434)	-
<b>Total net assets</b>	<b>5,915,236</b>	<b>2,559,355</b>	<b>8,474,591</b>	<b>8,074,053</b>

Unrestricted funds include designated funds represented by:

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Tangible fixed assets	1,371,359	1,176,849	1,205,556	1,077,492
Investment in joint venture	18,886	16,407	-	-
Unrealised gains on investments	596,926	621,134	596,926	621,134
Current assets	830,000	400,000	830,000	400,000
	<b>2,817,171</b>	<b>2,214,390</b>	<b>2,632,482</b>	<b>2,098,626</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2019

**15b ANALYSIS OF NET ASSETS BETWEEN FUNDS (PRIOR YEAR)**

	Unrestricted £	Restricted £	Total funds 2018 £	Total funds 2017 £
<b>The Group</b>				
Tangible fixed assets	1,176,849	2,360,723	3,537,572	3,689,222
Listed investments	3,403,087	-	3,403,087	3,436,044
Investment in joint venture	16,407	-	16,407	15,301
Current assets	1,690,131	354,440	2,044,571	1,934,349
Current liabilities	(637,096)	-	(637,096)	(792,295)
<b>Total net assets</b>	<b>5,649,378</b>	<b>2,715,163</b>	<b>8,364,541</b>	<b>8,282,621</b>
<b>The Charity</b>				
Tangible fixed assets	1,077,494	2,360,723	3,438,217	3,569,029
Listed investments	3,403,087	-	3,403,087	3,436,044
Investment in joint venture	1,000	-	1,000	1,000
Current assets	1,447,421	354,440	1,801,861	2,300,422
Current liabilities	(570,112)	-	(570,112)	(711,792)
<b>Total net assets</b>	<b>5,358,890</b>	<b>2,715,163</b>	<b>8,074,053</b>	<b>8,594,703</b>

Unrestricted funds include designated funds represented by:

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Tangible fixed assets	1,176,849	1,202,569	1,077,492	1,082,374
Investment in joint venture	16,407	15,301	-	-
Unrealised gains on investments	621,134	665,293	621,134	665,293
Current assets	400,000	-	400,000	-
	<b>2,214,390</b>	<b>1,883,163</b>	<b>2,098,626</b>	<b>1,747,667</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2019

**16a MOVEMENTS IN FUNDS (CURRENT YEAR)**

	At 1 April 2018 £	Income & gains £	Expenditure & Losses £	Transfers £	At 31 March 2019 £
<b>Restricted funds:</b>					
Hospice capital projects	1,006,653	110,811	(138,911)	-	<b>978,553</b>
Extension fund	647,327	-	(15,480)	-	<b>631,847</b>
Hospice services fund	234,793	158,730	(232,004)	-	<b>161,519</b>
Henry Joseph conservatory fund	30,846	-	(599)	-	<b>30,247</b>
Education Centre fund	10,302	-	(10,302)	-	-
Service redesign fund	50,042	-	(23,253)	-	<b>26,789</b>
Freehold property fund	735,200	-	(4,800)	-	<b>730,400</b>
<b>Total restricted funds</b>	<b>2,715,163</b>	<b>269,541</b>	<b>(425,349)</b>	-	<b>2,559,355</b>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Fixed Assets	1,176,849	-	(121,506)	316,016	<b>1,371,359</b>
Investments	621,134	-	(24,208)	-	<b>596,926</b>
TLC	16,407	-	-	2,479	<b>18,886</b>
Resilience fund	400,000	-	-	430,000	<b>830,000</b>
<b>Total designated funds</b>	<b>2,214,390</b>	-	<b>(145,714)</b>	<b>748,495</b>	<b>2,817,171</b>
<b>General funds</b>	<b>3,434,988</b>	<b>8,893,014</b>	<b>(8,462,217)</b>	<b>(748,495)</b>	<b>3,117,290</b>
<b>Total unrestricted funds</b>	<b>5,649,378</b>	<b>8,893,014</b>	<b>(8,607,931)</b>	-	<b>5,934,461</b>
<b>Total Funds</b>	<b>8,364,541</b>	<b>9,162,555</b>	<b>(9,033,280)</b>	-	<b>8,493,816</b>

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2019

#### 16b MOVEMENT IN FUNDS (PRIOR YEAR)

	At 1 April 2017 £	Income & gains £	Expenditure & Losses £	Transfers £	At 31 March 2018 £
<b>Restricted funds:</b>					
Hospice capital projects	1,111,103	45,050	(141,345)	(8,155)	<b>1,006,653</b>
Extension fund	662,807	-	(15,480)	-	<b>647,327</b>
Hospice services fund	309,951	238,146	(321,459)	8,155	<b>234,793</b>
Henry Joseph conservatory fund	31,766	-	(920)	-	<b>30,846</b>
Education Centre fund	22,983	-	(12,681)	-	<b>10,302</b>
Service redesign fund	244,764	-	(194,722)	-	<b>50,042</b>
Freehold property fund	740,000	-	(4,800)	-	<b>735,200</b>
<b>Total restricted funds</b>	<b>3,123,375</b>	<b>283,196</b>	<b>(691,407)</b>	<b>-</b>	<b>2,715,163</b>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Fixed Assets	1,202,570	-	(106,018)	80,297	<b>1,176,849</b>
Investments	665,293	-	44,159	-	<b>621,134</b>
TLC	15,301	-	-	1,106	<b>16,407</b>
Resilience fund	-	-	-	400,000	<b>400,000</b>
<b>Total designated funds</b>	<b>1,883,163</b>	<b>-</b>	<b>(150,177)</b>	<b>481,403</b>	<b>2,214,390</b>
<b>General funds</b>	<b>3,276,083</b>	<b>8,101,425</b>	<b>(7,461,117)</b>	<b>(481,403)</b>	<b>3,434,988</b>
<b>Total unrestricted funds</b>	<b>5,159,246</b>	<b>8,101,425</b>	<b>(7,611,294)</b>	<b>-</b>	<b>5,649,378</b>
<b>Total Funds</b>	<b>8,282,621</b>	<b>8,384,621</b>	<b>(8,302,701)</b>	<b>-</b>	<b>8,364,541</b>

#### Purpose of funds

The Hospice has the following designated and restricted funds, created as a result of conditions imposed on income by donors:

- The resilience fund - the Trustees have designated funds to ensure the Hospice remains resilient through a period of financial uncertainty. A further £430k has been designated this year which results in an overall resilience fund of £830k. This will provide the resilience needed over the next 3 years as we are currently forecasting cumulative losses in excess of £750k over that period;
- Designated Fixed assets Fund – the trustees have designated funds to ring-fence the value of fixed assets retained for the Hospice's operations;
- Hospice capital projects fund to cover the costs of specific items of capital expenditure, such as refurbishment, fittings, vehicles, computers and equipment. This includes major refurbishments of the inpatient unit and reception completed in 2009/10, the Day Hospice in 2010/11 and the Family Centre completed in 2013/14;
- Extension fund to help meet the costs of the Hospice extension and major refurbishment programme completed in 1997/98;
- Henry Joseph Conservatory Fund to fund the conservatory added to the inpatient unit in 1998/99;

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2019

#### 16b MOVEMENT IN FUNDS (PRIOR YEAR) (Continued)

##### Purpose of funds - continued

- Education Centre fund to cover expenditure on the Hospice's education and conference facilities, completed in 1999/2000;
- Hospice services fund to help meet the direct revenue cost of a variety of projects including, a research nurse, child bereavement services, a support at home service and a bereavement counsellor.
- Service Redesign fund to cover expenditure on transforming and expanding services;
- Freehold property fund represents the freehold land and buildings restricted by a covenant that were gifted by the Birmingham Archdiocesan Trust on 21 June 2017.

#### 17 CAPITAL COMMITMENTS

The group has no capital commitments at the year end (2018: £nil).

#### 18 TAXATION

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

#### 19 COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	2019		2018	
	Land & buildings £	Other £	Land & buildings £	Other £
Less than one year	211,267	3,246	171,675	5,853
One to five years	436,333	-	343,876	1,294
Over five years	20,042	-	47,042	-
	<u>667,642</u>	<u>3,246</u>	<u>562,593</u>	<u>7,147</u>

#### 20 CONTINGENT LIABILITIES

There are no contingent liabilities at the year end (2018: £nil).

#### 21a RELATED PARTY TRANSACTIONS (GROUP)

During the financial year ended 31 March 2019 the following transactions occurred between St. Mary's Hospice Limited and St. Mary's Hospice (Trading) Limited:

- The Trading Company made sales of donated goods on behalf of the hospice to the value of £290,665 (2018: £223,758).
- Staff costs of £880,025 (2018: £701,247) were incurred by the Hospice on behalf of the Trading company. These were recharged by the Hospice to the Trading company net of a management fee rebate that recognises that trading staff are working to generate funds for the Hospice, this rebate totalled £291,163 (2018: £208,524).

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2019**

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**21a RELATED PARTY TRANSACTIONS (GROUP) (Continued)**

- Rent of £9,500 (2018: £9,500) was charged by The Hospice to the Trading company for the rental of the Heeley Road shop.
- The Trading company made a Gift Aid distribution of £213,864 (2018: £nil) to the Hospice.

At the 31 March 2019 St. Mary's Hospice (Trading) Limited owed St. Mary's Hospice Limited £307,494 (2018: £99,325).

During the financial year ended 31 March 2019 the Hospice received £nil (2018: £nil) from TLC Lotteries Limited in respect of Chairmanship fees and recruitment services.

**21b RELATED PARTY TRANSACTIONS (TRUSTEES AND CORE STAFF)**

Ms M de Vos is the sister of Mr N de Vos (Chairman). During the year we engaged the services of the Company Freelance Fundraising Support, a company that Ms de Vos works for. St Mary's Hospice Limited made payments to Freelance Fundraising Support of £4,600 (2018: £nil) for services received. At 31 March 2019 the Hospice owed Freelance Fundraising Support £Nil (2018: £Nil). These services were procured under normal terms of business.

Miss K Edwards, an employee of the hospice is the sister in law of Mr A Williams (trustee). Miss K Edwards was appointed following a competitive recruitment process. Mr A Williams was not involved in this process.

During the year, donations received without conditions to the Hospice from Trustees and key management personnel totalled £5,419 (2018: £5,609).

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2019

#### 22. MERGER OF ST MARY'S HOSPICE LIMITED AND THE ST MARY'S HOSPICE CHARITABLE TRUST FUND

(a) On 30 March 2019, St Mary's Hospice Limited (charity number 503456) merged with The St Mary's Hospice Charitable Trust Fund (charity number 701249).

(b) The results in the financial statements are reflected in the accounts in accordance with merger accounting principles.

(c) The principal components of the current year's income and expenditure up to the date of the merger (1 April 2018 - 30 Mar 2019) were:

	<b>St Mary's Hospice Limited</b>	<b>The St Mary's Hospice Charitable Trust Fund</b>
	£	£
Income	8,671,813	98,308
Results for the period	290,149	66,372
	<u>                    </u>	<u>                    </u>

d) The principal components of the current year's income and expenditure after the merger were:

	<b>St Mary's Hospice Limited</b>
	£
Income	8,672,892
Results for the period	259,292
	<u>                    </u>

