



Annual report and financial statements

For the year ended 31 March 2019

The Katharine House Hospice Trust
(Company limited by guarantee)
Company No. 2133391
Registered Charity No. 297099



**KATHARINE
HOUSE
HOSPICE**

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Reference and administrative details

Registered name	The Katharine House Hospice Trust	
Status	The organisation is a charitable company limited by guarantee, incorporated on 20 May 1987 and registered as a charity on 26 June 1987. The Katharine House Hospice Trust is a company limited by guarantee, having no share capital, with all trustees being members of the company. The liability of the members is limited to £1 in the event of the winding up of the company.	
Governing document	The company was established under Memorandum and Articles of Association which established the objects and powers of the charitable company.	
Company number	2133391	
Charity number	297099	
Registered office	Aynho Road, Adderbury, Banbury OX17 3NL	
Trustees	Dr Jonathan Williams (Chair from 12 June 2018) Ms Dorothy Bean Ms Lindsey Bowser (appointed 2 May 2019) Ms Geraldine Burke Mr Richard Greaves (Chair to 12 June 2018. Resigned 14 June 2018) Sir Tim Jenner (appointed 2 May 2019) Mr Richard Jones (appointed 2 May 2019) Dr Christina Lloyd (appointed 2 May 2019) Mr Anthony Lowe (resigned 23 September 2019) Ms Carol Shaw Dr Rolf Smith (resigned 14 June 2018) Mrs Heather Stewart (resigned 12 September 2019) Mr Anthony Summersgill Mr Roger Worrall	
Senior Leadership Team	Angharad Orchard	Chief Executive
	Dr Charlie Bond	Medical Director and Consultant in Palliative Medicine
	Michele Booth	Director of Patient and Family Care
	Justine Williams	Director of Fundraising and Communications

Principal Bankers

Yorkshire Bank	HSBC
7 Gold Street	17 Market Place
Northampton	Banbury
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Solicitors

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Auditors

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Oxford
OX1 2EP

The Trustees present their annual report together with the audited financial statements for the year ended 31 March 2019. The format and content of the report and the financial statements comply with current statutory requirements, the Charity's Memorandum and Articles of Association and the recommendations of the Statement of Recommended Practice (SORP 2015) 'Accounting and Reporting by Charities' (FRS 102).

Chairman's statement

The year 2018-19 was one of contrast for Katharine House Hospice. We have made good progress in ensuring more local families living with a life-limiting illness can get the support they need, whilst facing mounting sustainability pressures in the form of escalating healthcare costs and static statutory funding.

What has remained a constant throughout is the continued delivery of high quality care that is as individual as each of our patients, and is available to them wherever they may need it. We are proud that we have been able to provide that care to more than 800 people and their families in the last year – the highest number since we opened our doors in 1991.

Yet we know that there is still more we can do to support people in our community. The need for our services will continue to grow as more people are being diagnosed with a life-limiting illness, and live longer with that illness or a complex mix of multiple diagnoses. Current estimates suggest the need for end-of-life care will increase by 42% over the next 20 years, with 160,000 more people needing specialist care across the UK by 2040.

We also know that there are people in our community who cannot access the care they need because of location, availability or other reasons, and we must continue to develop our services to ensure support for anyone diagnosed with a life-limiting illness.

We continue to face a very challenging external environment, including changes to how services are commissioned, and ongoing serious funding issues.

Nationally, the hospice funding model is inequitable and unsustainable. With eight out of ten UK hospices facing a deficit in the coming year, hospice funding is inherently broken, and needs urgent review to avoid service losses across the country.

Katharine House is not immune from this issue. Despite increased income from fundraising and retail activities, our budgeted deficit this year stands at more than £400,000.

Government funding continues to increase only in line with inflation, and with healthcare costs increasing far beyond this, it now represents less than a quarter of our funding. It does not meet the true increase in the cost of delivering our services, and we are therefore wholly reliant on our small catchment area to provide three-quarters of our funding, and this is not sustainable.

Given these funding issues and increased demand, the deficit is likely to persist in the coming years. Katharine House will need to find at least an additional £400,000 every year to ensure local people can get the care they desperately need.

In the face of these challenges, we are continuing to develop our services to reach more people who urgently need us, and will launch our revamped day hospice model in the coming year. This new Living Well service will ensure that we can reach more people with different illnesses, and provide local people with the care they need with minimal cost implications for the charity.

We will also build partnerships and share our expertise with key healthcare professionals and commissioners to ensure high quality care is available throughout our area, and we will build our advocacy role to push for a national solution to the hospice funding crisis.

All of this is essential in ensuring the long-term future and sustainability of Katharine House, and central to our vision; that anyone facing a life-limiting illness can get the care they need, where they need it, and when they need it.

Dr Jonathan Williams
Chair of Trustees

Objectives, activities and public benefit

Objectives

We provide specialist palliative care for adults with life-limiting conditions across north Oxfordshire, south Northamptonshire and south Warwickshire.

Whilst we do care for people at end of life, we also offer support for symptom management and pain relief throughout a person's illness. Our care is not just about managing the physical symptoms of disease; we know that people need emotional and spiritual support too, and our team works to support people in these areas too, as well as helping people to access the practical support they need.

Our care is offered throughout the local community. Whilst many of our patients come in to the hospice, we care for many more in their own homes, care homes or in the hospital.

We are now entering the fourth year of our five-year strategic plan for 2016 to 2021, and have reviewed our achievements in years one to three. Our vision, mission and strategic objectives have not changed and remain the foundation on which we work. Our strategic priorities will therefore continue to shape our work over the next three years:

- Provide high quality patient-led care that recognises individual needs and mobilises services around them
- Ensure the needs of the carers, families and loved ones of those experiencing life limiting illnesses are effectively met
- Reach more people, particularly those with non-cancer diagnoses and from harder to reach communities
- Empower professionals to deliver great care through collaboration, support, communication and education
- Ensure a financially sustainable organisation, equipped to meet the needs of our local community in the long term

Our vision and core values

Our core purpose is:

We exist because every individual's journey matters.

Our aim

If you are diagnosed with a life limiting condition, you will be given every opportunity to live fully with your illness. You will be cared for sensitively through to death, and your friends, families and carers will be helped to continue with life after loss.

Our role

We offer individualised care to those facing life limiting illnesses. We support people when they need it, where they need it and how they need it. We work in partnership and help educate other professionals so that they can deliver great care too.

Our values

When you become a part of the Katharine House community we want you to be:

Fulfilled

Life is for living, right up until the last moment, and here you'll be able to do that alongside people who recognise what you're going through and accept you as you are. Our individualised approach to care gives you the freedom and opportunity to continue a full and vibrant life and our warm and friendly team will help you to access a range of support.

Respected

Every person's situation is unique, so we'll always treat you and your family that way. We'll work with you to identify the type of care you would find most helpful, as well as the different places and times you would most appreciate support. We'll listen to you and respect your choices, while always making sure that you're well informed and can feel confident about the help you're receiving.

Reassured

You'll always be cared for by competent, knowledgeable and sensitive people, who fully recognise your situation and will respect your privacy. We have strong partnerships with a variety of both local and national healthcare providers, making sure that we can offer high-quality and holistic care, and we're continually investing in our staff so that we can stay on top of new developments that could improve the support we offer you.

Public benefit statement

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the aims and objectives of Katharine House Hospice and in planning its future activities and are able to confirm their belief that the hospice's activities are of public benefit. Our activities and achievements in furtherance of the public benefit are set out below.

Our care and services

Katharine House cares for patients and families facing life-limiting illnesses living in North Oxfordshire, South Northamptonshire and South Warwickshire. We support people with the care they need, when and where they need it.

We provide our services at our hospice in Adderbury, as well as out in the community at local hospitals, care homes and in patients' homes. Our services include an inpatient unit, drop-in day centre with complementary therapies, community nursing support and hospital support, as well as a lymphoedema clinic, medical outpatients appointments, social worker support and a physiotherapy clinic.

At the centre of our philosophy is our belief in caring for the whole person, addressing the physical, psychological, social and spiritual needs of our patients in equal balance to ensure they and their family are best supported. We recognise people as individuals and our multi-disciplinary team of specialist palliative care nurses, doctors and other professionals, work in collaboration with other health providers and volunteers to ensure we deliver the right care for each patient and support them in ways which reduce their symptoms, enhance quality of life and help them to live as fully as possible with their illness.

Inpatient services

Our inpatient ward at our hospice in Adderbury provides round the clock specialist care for people in a tranquil and safe environment. Our team offers symptom control and emergency respite care as well as care to people at the end of their lives.

Community and hospital services

Our community nursing team can support patients in their own homes, seven days a week. We offer support to patients in local care homes and our team provides support, care and advice to patients in the Horton General Hospital in Banbury.

Drop-in day services

Patients can visit our drop-in day service where our team can support and help with any symptoms they may have. Our team helps patients to live their life to the full and to overcome any concerns they may have.

We also provide a variety of outpatient services, such as a lymphoedema clinic and physiotherapy, along with music therapy, complementary therapies and art and craft groups to offer relief, enable rehabilitation and give people a chance to meet and socialise with others.

Patient wellbeing and family support

As part of our philosophy of caring for the whole person, our chaplain and our bereavement support team offer emotional and spiritual support to patients and their families both before and after death, and our social worker can work with patients and families on practical concerns around care.

We can give information and advice to help carers with the challenges they face when caring for someone with a life-limiting illness.

Education and placements

Raising awareness of palliative care and support supporting healthcare professionals is a fundamental part of our philosophy, and we are committed to sharing our expertise with other professionals. Our programme of education and training opportunities is available to any healthcare professional to ensure that anyone facing life-limiting illness in our community has access to the highest quality care where and when they need it.

Our staff and volunteers

As a service-led charity, our staff and volunteers are our most important asset. Without the skills, expertise and dedication of our 139 staff and 385 volunteers we wouldn't be able to provide the care we do to patients and families throughout the year. We know we need to maintain and build our team, recruiting, retaining and training skilled people, and we have made significant developments to our HR and volunteering team to enable this.

Our 385 regular volunteers make a huge contribution to our work. Every year they give more than 53,000 hours of their time, working as bereavement counsellors, drivers, receptionists, administrators, fundraisers, shop assistants, gardeners, complementary therapists and trustees. This equates to approximately 27 full time staff, and we estimate the value of these donated hours to be in excess of £490,000 per annum.

Admissions and referrals

Our mission is to ensure that anyone facing a life-limiting illness in our community has access to the highest quality care throughout their illness and that their family is supported after death. We therefore admit patients solely on the basis of need, regardless of their background.

We provide all our services free of charge to patients and their families.

Anyone in our community can make a referral to our hospice services. In all cases, there must be agreement from the patients' GP or hospital. Depending on the person's needs, they may be admitted to any one of our services, and our team often transfers patients between our services as their illness changes over a period of weeks, months or even years.

We work closely with GPs and hospital staff who refer patients. A dedicated Katharine House community nurse is attached to each GP practice and the Horton General Hospital.

The difference you make

Thanks to our wonderful supporters, hundreds of local families have been able to access the care they needed throughout their illness and after death. Without this ongoing support from the local community, Katharine House would not exist. Below are just a few examples of the difference their support has made to local people.

Community support:

We were fortunate to get to know our Katharine House community nurse well. Her input was invaluable and appreciated, and she quickly became a friend to us. She was always there for us, always had time for us and Matthew was greatly reassured that when he needed help, you were there to listen and help.

As he became more poorly our Katharine House nurse was even more important in our lives: as a contact between us and the doctors at Katharine House, and her invaluable input as the liaison between ourselves and our GP surgery. I could not have coped with caring for Matthew at home if it had not been for her. She helped in so many ways: sorting out pain relief, medication and keeping the GPs informed as to how he was. Her input was vital to overcome these obstacles. The last few weeks at home were the most difficult, but our Katharine House community nurse was always at the end of the phone ready to talk, visit and assist. I cannot thank her or the team at Katharine House enough. Their care and commitment are immeasurable.

Lymphoedema clinic:

I was diagnosed with prostate cancer and became a patient at Katharine House. After an operation the hospice team put me in touch with the lymphoedema nurse to discuss some treatment for the swelling in my leg.

I was too ill to visit the hospice, so the lymphoedema nurse suggested she could visit me at home. Living in a rural village almost 20 miles from Katharine House, I was surprised she would come all that way, but she said it was no trouble.

She was brilliant. She put my mind at ease and helped get my symptoms under control. If footballers are worth £300,000 a week, the Katharine House nurses are worth more!

Day services:

Ian first came to the hospice feeling nervous and apprehensive, but day hospice soon became extremely important to him. In the weekly art classes, Ian became an accomplished watercolour artist, finding real joy in discovering a new talent at a time when he felt like he was losing so much of himself. He so enjoyed attending day drop-in sessions, and chatting with his fellow patients, staff and volunteers, that his wife and daughter affectionately nicknamed it his 'play group'!

As the organist at his local church for 24 years...he was delighted to find that he could play the piano for the weekly service in the hospice's chapel, and he enjoyed discussing hymn choices with the chaplain. Ian was glad to have a role to play in the services which meant so much to him; they helped him to feel like he was giving back to the other patients and the hospice, too.

Bereavement support:

There are just certain things you can't process when someone you love is dying after a short illness, one of those being explaining death to young children. It wasn't something we had really thought of but we found ourselves faced with the difficulty in telling the children Nana was dying. The session we had with the counsellor and the children was very tough but just wonderful in every way, making it okay for them to express their grief and making it all a big open conversation. It took away that worry from us as they helped us navigate that tricky road that we found ourselves unexpectedly on.

Inpatient unit (IPU):

Thank you for the very kind and understanding support given to me during the short stay and passing of my very dear wife. Everything that could be given to help her passing a little easier was available and given by all the staff caring for her. I felt such kindness and caring from all and you made my loss a little more bearable. Your understanding, sympathy and willingness in what you do for the patients is a credit to all of you. Just a thank you seems paltry, but I hope that my sincere and heartfelt praises for everyone at Katharine House goes to let you know how much everything meant to me.

Student placement - paramedic:

I just wanted to say a massive thank you to everyone at Katharine House for making it possible for me to spend the last two weeks shadowing in both IPU and the community. This experience has been eye opening for me and the amount I have learnt about end of life patients has really helped me. I now know that when attending end of life jobs within the community I will be looking at these jobs with a completely new perspective and now have a much better idea as to what I can do to help the patient and their family.

During my two weeks all of the staff have been absolutely lovely to me and I felt that I had been welcomed with open arms. No other work place has welcomed me like Katharine House did. I've decided I am going to speak to my university about how important end of life care is and how important it is for student paramedics to see the not so fast paced side of emergency care.

Thank you so much for allowing me to spend the last two weeks within the Hospice and for all the help everyone has given me. You are all amazing people.

Physiotherapy:

After being diagnosed with cancer, Julie had become anxious that she could no longer do the things she enjoyed, and had stopped leaving the house.

When she stayed on our inpatient unit, our nurses referred her to our in-house physiotherapist, who put together a special programme to help Julie regain some mobility and become more comfortable. Physiotherapy can help patients to regain their independence, improving mental wellbeing as well as physical health - just what Julie needed.

She embraced the exercises and started using the specialist equipment, and before long felt strong and able enough to go outdoors again. With confidence blooming, she was able to go home with her symptoms under control.

Our physiotherapist helps people like Julie to stay as independent as possible for as long as possible, and enables them to stay in their preferred place of care for longer, which is often their own home.

Whilst Julie stayed with us, she kept a notebook of her thoughts. The last thing she wrote before going home was 'Live life!', a testament to the impact the Katharine House team had on her wellbeing and quality of life.

Activities, achievements and performance

How did we do?

Against a backdrop of an unsustainable national hospice funding model, and wider challenges for the charity sector, we have continued to make good progress against our strategic priorities. We continue to meet our objective of providing high quality patient-led care to people; we now reach - and have cared for - more people than ever before. We've developed our services and created new initiatives to ensure that we can more effectively meet the needs of families of those experiencing illness. We've worked with and empowered professionals to deliver great care – ensuring that more families facing life-limiting illnesses receive the best possible care wherever they are in our community. We've also developed our staff and volunteer teams as we work to ensure a financially sustainable organisation for the future.

During the year we undertook a review of our existing day hospice model in order to identify gaps in services, and ways we can continue to provide the right individual support to current patients and their families, as well as reach more people who need us in the future.

This review has enabled us to plan significant changes to our existing service which will enable us to make progress against our five strategic priorities. Further information on the outcome of this review is noted in *Future plans* below.

The strategic priorities are as follows:

Provide high quality patient-led care that recognises individual needs and mobilises services around them

What impact did we make?

We continue to see increasing demand for our services, and this year we supported more than 900 patients and their families where they need it; in the hospice, the community or in the hospital. This year we have:

- Completed the first year of providing our seven-day community service (26 August 2017 – 31 August 2018), supporting more than 500 individual patients at weekends and bank holidays. Our increased responsiveness to patient need means patients and their families can receive the care and support required in their preferred place of care, avoiding unnecessary hospital admissions which can cause concern and worry. Patients will often receive this care more quickly over weekends or on bank holidays too, reducing symptoms and relieving worry. Our work also ensures the NHS is not burdened by the cost of avoidable hospital admissions,
- Established a triage service led by our community nursing team to help support a higher number of referrals and improve response time when patients phone during the day. Monthly referrals have increased, and we have continued to ensure all urgent referrals received same day contact. In addition, we contacted 99% of non-urgent referrals within five days.
- Appointed a new Head of Quality who will drive the highest quality care across the organisation through monitoring & reporting, audit, projects, policies and education.

- Created a new 0.6FTE physiotherapist role, and our physiotherapist has provided 366 physiotherapy appointments across the year helping patients regain their independence and improving their mental wellbeing as well as physical health.
- Created a new hospitality volunteer role, serving patients and their visitors refreshments free of charge, so they can spend more time with their loved ones.
- Embedded the use of Phase of Illness and AKPS palliative care measures into clinical practice, and used this information to support clinical decision making

Ensure the needs of the carers, families and loved ones of those experiencing life limiting illnesses are effectively met [more needed here]

What impact did we make?

- As the first point of contact for distressed relatives, the community team administrator has undertaken communication skills training to enable better family support.
- We've provided Dementia Friends training to 18 people, ensuring our staff are equipped to support patients who may be facing dementia, and building links with local care homes.
- As part of the day hospice review this year, we identified how we could better meet the needs of carers and families. From this we have developed plans for events and activities beginning in 2019/10 which will expand the support we can give to these groups, including:
 - A drop-in Carer's Café which will support those caring for relatives and loved ones, offering peer support and time away from their caring role
 - A drop-in Bereavement Café offering peer support and activities for those who are recently bereaved and do not require one-to-one support
 - Additional activities including arts and crafts sessions, weekly health walks and a carer's education programme

Reach more people, particularly those with non-cancer diagnoses and from harder to reach communities

What impact did we make?

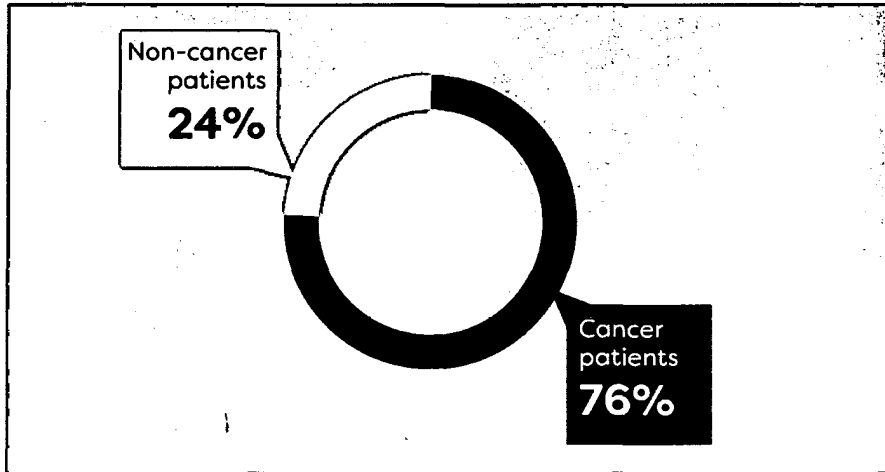
In addition to the face-to-face contacts in the table below, our clinical staff also provide telephone advice and email support to patients and their families, as well as to other health professionals. During the year ended 31 March 2019 our community team made 9,725 support calls and emails (2018: 10,252).

- During the year to 31 March 2019 we supported 823 patients and families, more than ever before. 597 patients were referred to the hospice services during the year, of which 529 were new referrals.
- We cared for people with 22 different illnesses, including cancer, heart failure, respiratory illness, Parkinson's and motor neurone disease. 76% of those we supported had a form of cancer, and 24% were non-cancer patients.

- We developed a plan and secured funding for our new hospice companion service, that will provide much-needed support to patients, families and carers at home. The service will help patients and families with the things that they need and matter to them, whether that's practical help around the house, looking after a patient while a carer goes out, or simply offering someone to sit and talk when feeling lonely. A 15-month programme will start in early 2020.
- We are part of Oxford University Hospitals (OUH) respiratory research pilot, and are working alongside respiratory consultants to identify the palliative care needs of those with a progressive non-malignant lung disease. We know that in one year 61 people in our catchment area died from acute and other respiratory diseases, however we only saw 23 of these patients, so the project will help us reach more people and better support them through their illness.
- This year we also continued to increase our work with local faith groups. In September, we welcomed representatives from Jewish, Muslim, Buddhist, Sikh, Hindu and Christian faiths to the hospice for our first multi-faith service, and unveiled a stained-glass pendant representing each faith in the chapel.
- We enjoyed our most popular open day this year. With more than 70 people coming to the hospice, the day was an opportunity to raise awareness of the work we do and to break down many of the taboos around hospice care. The majority of visitors had never visited a hospice before and many commented on how welcoming and peaceful the hospice is. One visitor said: "It was the complete opposite of what I expected a hospice to be. Katharine House is light, spacious and homely. It feels so relaxed and caring. I'm so reassured knowing that my father will be coming here."

The number of face-to-face contacts with patients and their carers by our core services are shown below:

	2018/19	2017/18
In patient bed days	2,583	2,804
Day hospice attendances	803	1,097
Community services patient visits	1,741	1,978
Lymphoedema clinic attendances	500	427
Medical outpatient/domiciliary attendances	88	113
Hospital Liaison service visits	1,055	1,035
Contacts with bereaved individuals	594	586
Physiotherapist clinic attendances	374	81
Social Worker contacts (including phone calls)	721 (1,235)	542 (1,006)



Empower professionals to deliver great care through collaboration, support, communication and education

What impact did we make?

- We continued to work with other healthcare professionals in our community to ensure patients were fully supported throughout their illness, no matter where they received their care. We worked with GPs and staff at the Horton Hospital to build an understanding of end of life care and raise awareness of the services we provide.
- We continued to provide an education programme for healthcare professionals to raise awareness of end of life care.
- We also offered placements for speciality registrars, GP registrars, paramedics and nurses who were undertaking their professional training, enabling them to train and gain experience in end of life care.
- We're supporting Sobell House's End of Life Project in the Horton General Hospital to equip staff to recognise dying and be able to develop the skills to discuss patient wishes and support patients and families with advance care planning.
- In order to increase awareness and understanding of palliative care and the team at the Horton Hospital, our hospital-based community nurse now meets with junior doctors as part of their induction, helping them know what support is available to them.
- We re-established the link nurse group in the Horton Hospital in Banbury, offering advice, support and education as well as enhancing palliative care and end-of-life care in the clinical areas. There is now a cohort of eight qualified nurses, four healthcare assistants, and an occupational therapist, as well as engagement from the speech and language therapy team, the occupational therapy team and bereavement services.
- We established collaborative teaching sessions with the Lawrence Home Nursing Team, and provided *Quality End of Life Care for All* (QELCA) training to local nursing and paramedic staff.

- We've developed our relationships with Northamptonshire commissioners and care providers, joining the *Last Year of Life Board* to help influence and develop future care in the county.
- We've entered into a new partnership with Oxford University Hospitals Trust, which will be providing our medical revalidation service.
- We now have a position on the upgraded Oxford University Hospitals Trust medicines management group, which means we are able to act as a decision maker within the Trust.

Ensure a financially sustainable organisation, equipped to meet the needs of our local community in the long term

What impact did we make?

In light of our budgeted deficit for the year, we have begun to raise awareness of both our urgent need for funding and the serious national hospice funding problem. We have also taken steps to increase voluntary income by developing our fundraising team and reviewing our fundraising and retail offerings. Highlights from the year include:

- Developing our online giving presence by launching Muchloved, an online in-memory giving platform where people can create tributes to loved ones and raise funds for the hospice at the same time
- Hosting our first Gala Dinner in 30 years at Blenheim Palace, re-establishing some key relationships with key donors, building new relationships, and raising £40,000.
- Opening a new, larger Brackley shop, increasing annual turnover of the shop by £58,000 over the year.
- Building our online fundraising and retail offer, with event tickets, online shop, and donations generating sales of £58,000. (2018: £30,000)
- Introducing a Firewalk fundraising event; a new and different event not held before in our community, which attracted more than 40 participants.
- We've built our volunteer team, recruiting 86 new volunteers into new and existing volunteer roles across our clinical, retail, fundraising, marketing and other business teams.

In addition to this, we have run finance briefings for staff and volunteers to increase awareness and understanding of our financial plans.

NHS Agenda for Change pay increases

Along with the majority of the UK's charitable hospices, KHH uses the NHS Agenda for Change terms and conditions as a guide to our pay policies for clinical staff, rather than matching all terms and conditions exactly because of the additional financial burden this would place on the organisation.

Therefore, Katharine House did not initially automatically receive financial assistance from the government to cover the costs of the NHS Agenda for Change pay increase.

In order to recruit and retain the best staff, and continue to provide the highest quality of care to people in our community, it is vital that we are able to match pay NHS conditions.

During the year we successfully advocated for access to this funding, and were awarded a one-off additional payment of £137,000 to cover Agenda for Change pay increases in 2019/20. This funding is for one year only and, without support from the government, the extra cost we face can only be met by asking our communities to give more, or by reducing the services we provide.

Future plans

Living Well at Katharine House

Following the review of our day hospice model, we have identified changes to our existing service that will enable us to provide better support to more patients and families, and next year we will launch a new Living Well service to replace our current day hospice.

The Living Well service will focus on enhancing people's quality of life, independence and wellbeing, through a variety of activities including art and crafts, family history, creative writing, breathing and relaxation, health walks, and support for carers.

Some of these activities – such as weekly health walks and a community choir – will be open to the general public as we look to further embed Katharine House in the local community.

The Living Well service will expand our work to better help people who have been diagnosed more recently or who have more mobility. We'll also be able to better support the holistic wellbeing of our patients by adding balance and exercise classes, and mindfulness sessions to our existing art classes, music therapy and complementary therapies.

Launching in Autumn 2019, the Living Well service will support all of our strategic priorities and make a tangible difference to more people's lives across our area.

Volunteer companion service

Throughout the year we further developed plans for our volunteer companion service, including creating a training programme for volunteers. The new service will provide much-needed support to carers, families and loved ones at home, as well as patients themselves. It will be a volunteer programme managed by Katharine House, helping patients and families with the things they need and matter to them, whether that's practical help around the house, looking after a patient while a carer goes out, or simply offering someone to sit and talk to when they're feeling lonely. We have secured funding for a 15-month volunteer companion service project starting in January 2020.

Education

Our education programme will continue, ensuring we raise awareness and train more people, and we'll continue to offer placements so that new student doctors, nurses and health professionals can benefit from working with our team.

We will also work with local colleges to expand our work placement programme, and will include student placements in marketing and communications, fundraising, HR and IT as part of the incoming T Level qualification. This will give local young people valuable experience of working in a business setting.

Income generation and funding

Given the current hospice funding issues, we know that growing income generation and funding are key to achieve a financially-sustainable organisation.

We anticipate a continued deficit next year, and will therefore develop an integrated fundraising, marketing and advocacy campaign to raise awareness of our position and support income generation, launching in late 2019.

We will continue our work with Clinical Commissioning Groups to evaluate and negotiate funding contracts, and we will engage with government locally and nationally to advocate for an urgent review in to hospice funding.

In addition, the fundraising team has reviewed our existing event offering and identified an expanded and varied calendar of events for the coming year, including a comedy night, theatre shows, skydives, wingwalks and a Burns Night supper. Going forward, we will identify and create a mid- to high-value giving circle in order to raise money through a committed network of supporters. These events and campaigns will reach a wider and more diverse range of people and create new supporters for Katharine House.

Feedback from patients and their families

The feedback we receive from patients and their families continues to be overwhelmingly positive, reflecting the quality of care we provide and the difference we make to people in our community. We are fortunate that many families contact us with written feedback, and our nursing staff and trained volunteers carry out regular patient surveys throughout the year. Additionally, trustees meet with patients, relatives and carers twice a year to discuss their views of the support received at Katharine House. Such feedback is important in helping us to identify what we do well, and how we can make improvements for our patients. We were delighted that the quality of our care was recognised by the CQC who awarded us an overall rating of 'Good'.

We have used feedback from patients and families to inform the continued development of our services to ensure we best meet the needs of our local community.

Financial summary

Income, expenditure and results

Before revaluation of investments, the financial year ended with a deficit of £613k in unrestricted funds (2018, deficit £413k) and a gain of £37k in restricted funds (2018, deficit £34.9k). After revaluation of investments, the net deficit for the year is £520k (2018, deficit £441.4k).

The combined income from donations and fundraising activities, including events, shops and lottery, has held up well in the economic climate and we continued to pursue all Gift Aid opportunities.

Legacy income is difficult to predict and income from legacy giving was marginally below expectation this year at £436k. This has had a notable impact on the overall income for the year and compares unfavourably with the 2018 figure of £514k.

Staff costs represent 74.9% of our total annual expenditure (2018: 74.5%) and rose by 7% (£231.7k) compared with last year. Further resources have been invested into the Inpatient Unit, Fundraising, and Human Resources salaries together with an annual inflationary increase.

Pensions form a significant part of staff costs and Trustees have always believed that the recruitment and retention of good quality staff is enhanced by the provision of attractive pension benefits. We have a dispensation which allows staff eligible for the NHS defined benefit pension scheme to continue in that scheme, and Katharine House pays appropriate employer's contributions accordingly. Other staff are offered a group personal pension scheme administered by Aviva, and this has had a good response from staff.

The remaining expenditure, not directly related to staff, showed an increase of 5.3% (£57k) on the previous year.

All assets are held for the furtherance of our objectives, enabling us to provide the highest quality of care. These assets are considered to be adequate for this purpose. The net book value of the freehold property as shown in the financial statements is £1.77m. The trustees are of the opinion that the current market value is not less than the net book value shown in the accounts.

Investment Policy and Performance

In accordance with the Memorandum and Articles of Association, the trustees have the authority to invest in such stocks, shares, investments and property as they see fit. An agreed Investment Policy describes the Trustees' investment aspirations which include:

- Providing income
- Providing enhanced value where possible
- Avoiding undue risk by investing diversely and monitoring investments carefully
- Avoiding investment in tobacco related industries

The combined performance of our Investment Fund Managers showed net capital gains of 4.9% for the year. This compares to net capital gains of 0.2% for the previous year. Investment income for the year rose by £5k.

Cash holdings held by the Fund Managers have fallen by £91k. Cash flow continues to be monitored carefully across the organisation.

Reserves

Reserves Policy

Trustees reviewed the purposes for which we hold reserves alongside our strategic plan, and the level of reserves required. Given the current level of deficit, trustees have decided to release funds from the designated Service Development and Major Refurbishment Funds and transfer these to the Hospice Services Protection Fund. Trustees are of the view that any new service developments and capital works will need to be fully funded and cannot be funded by reserves. As a result of this, Katharine House requires the following level of reserves:

Hospice Services Protection Fund	£2.5m - £3m
Major Refurbishment Fund	£0.5m - £1m
Total desired reserves	£3m - £4m

As at 31 March 2019 the level of free reserves held was £4m and this has been allocated between the funds identified above.

Hospice Services Protection Fund

This fund recognises the high level of fixed costs incurred by Katharine House alongside the challenges faced by all within the hospice sector of maintaining and building both statutory and fundraising income. The target level of £2.5m-£3m will enable us to manage short term losses of statutory or fundraising income and provide sufficient time to plan any changes required to future service delivery. This fund will continue to be treated as unrestricted funding, in line with the wider charity sector.

Major Refurbishment Fund

The trustees have recognised the importance of maintaining a hospice environment that is fit for purpose and meets the needs of patients, staff, volunteers, and others who use it. As our hospice building is more than 25 years old this fund will enable future adaptations to take place and maintain the quality of our premises.

Thank you to all supporters

Thank you to all our supporters who have helped us to raise this income during the year. Your support means we were able to continue to provide the highest quality of care to people in our community facing a life-limiting illness.

Structure, governance and management

Governing document and structure

The company was registered in May 1987 (No. 2133391) with the governing instrument being its Memorandum and Articles of Association. The Articles state that the Board of Trustees shall have full discretion as to the admission of any person to membership of the association.

The Katharine House Hospice Trust is a company limited by guarantee, having no share capital, with all trustees being members of the company. The liability of the members is limited to £1 in the event of the winding up of the company.

The Trustee Board

The Board of Trustees meets quarterly to set and review the strategy of the Charity. The Chief Executive is appointed by the Board and has delegated responsibility for the day to day management of the Charity with the support of the Senior Leadership Team.

The Board of Trustees is fully committed to the financial stewardship, quality and safety of the Charity.

The Trustees are guided by an agreed scheme of corporate governance which sets out their responsibilities and those of the executive management team. Potential conflicts of interest are addressed in a Conflict of Interests Policy and a register of Trustees' interests is maintained. Potential conflicts of interest are addressed at every meeting of the Trustees.

Following the development of the strategy in 2016, the Board of Trustees considered the skills mix required to support the delivery of this and identified where there were gaps. Over the course of the year we have continued to recruit new Trustees to address these skills gaps, as well as those created by resignations.

New Trustees undertake an induction programme designed to ensure their understanding of the trustee role and their knowledge of the hospice and wider hospice sector. As well as a review of core documents the induction offers provides opportunities to meet with staff and volunteers across the hospice, and to observe or shadow parts of our service delivery.

No Trustee received any remuneration during the year nor any reimbursement of expenses (see note 10 to the financial statements).

Committees

The board is advised by a range of Committees. The Terms of Reference of these were updated in 2019.

- Finance, Fundraising and Retail
- Workforce and Health and Safety
- Clinical Governance

Organisation structure and key management personnel

Trustees are responsible for the strategic direction of the organisation. Day to day management is delegated to the Senior Leadership Team, comprising of the Chief Executive, Medical Director and Consultant in Palliative Medicine, Director of Patient and Family Care, and Director of Fundraising and Communications.

Pay policy

Katharine House seeks to ensure that all employees receive appropriate pay and reward for their work, taking in to account the financial resources available.

Money available for pay awards will take in to consideration the financial position of the charity during the year and the likely financial position in subsequent years.

The directors consider the trustees and the senior management team to be the key management personnel of the Charity, in charge of directing and controlling, running and operating the Charity on a day to day basis. All directors give of their time freely and no directors received any remuneration in the

year. Details of director's expenses and related party transactions are disclosed in notes 10 and 12 in the accounts.

Risk management

The Trustees regularly review the risks faced by Katharine House to ensure that key risks have been identified, and that suitable plans are in place to prevent or manage these risks.

We approach risk management at three levels; strategic, operational and at project level. This enables staff to undertake the identification of risks in partnership with senior managers and trustees and allows clear allocation of responsibilities for managing these risks.

The Trustees and staff use a clear understanding of risk to help inform decision making within the Charity, including decisions regarding use of resources, recruitment and service delivery and development.

Fundraising regulation and General Data Protection Regulation

Katharine House Hospice is a member of the new Fundraising Regulator which sets national standards for fundraising practice, investigates cases of malpractice, adjudicates complaints from the public, and operates a Fundraising Preference Service (FPS).

The Director of Fundraising and Communications will continue to monitor changes in fundraising regulation and ensure communication preferences are actioned appropriately. The Charity monitors and reviews third-party suppliers to ensure they also adhere to the fundraising Code of Practice. We have robust processes in place and will continue to review these regularly in line with regulatory developments.

Statement of the board of trustees' responsibilities for the financial statements

The Trustees are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

Company and charity 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 Charity and the group and of the group's incoming resources and application of resources, including the group's income and expenditure for that year. In preparing those 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 accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

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.

Statement of disclosure of information to auditors

We confirm that, in so far as the trustees are aware:

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



Dr Jonathan Williams
Chair of Trustees

Independent auditors' report to the members of The Katharine House Hospice Trust

Year ended 31 March 2019

Opinion

We have audited the financial statements of The Katharine House Hospice Trust for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities (including Summary Income and Expenditure Account), the Group and Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes 1 to 25. 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 charitable company's affairs as at 31 March 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual 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' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 trustees' responsibilities statement set out on page 3, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



ROBERT WERTZLAND FCA
(Senior Statutory Auditor)

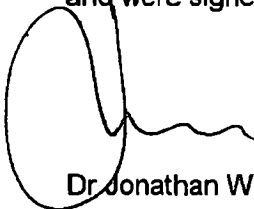
for and on behalf of Critchleys Audit LLP, Chartered Accountants & Statutory Auditors

Beaver House 23-38
Hythe Bridge Street
Oxford
OX1 2EP

20/12/2019

The financial statements on pages 25 to 40 were approved by the Board of Trustees on 18 December 2019

and were signed on its behalf by:



Dr Jonathan Williams
Chair of Trustees

Company Registration Number: 213339

Katharine House Hospice

Consolidated statement of financial activities (including Consolidated Income and Expenditure Account)

For the Year ended 31 March 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Income from:							
Donations and legacies	2	1,193,612	155,884	1,349,496	1,262,777	38,216	1,300,993
Charitable activities	3	1,062,099	74,802	1,136,901	1,037,097	73,414	1,110,511
Other trading activities	4	1,290,770	-	1,290,770	1,227,224	-	1,227,224
Investments	5	140,963	-	140,963	118,712	-	118,712
Total income		3,687,444	230,686	3,918,130	3,645,810	111,630	3,757,440
Expenditure on:							
Raising funds	6	(1,295,222)	(6,650)	(1,301,872)	(1,173,260)	(913)	(1,174,173)
Charitable activities	6&7	(2,991,550)	(187,016)	(3,178,566)	(2,870,413)	(145,629)	(3,016,042)
Other	6	(13,894)	-	(13,894)	(15,094)	-	(15,094)
Total expenditure	6	(4,300,666)	(193,666)	(4,494,332)	(4,058,767)	(146,542)	(4,205,309)
Net (expenditure) / income before revaluation		(613,222)	37,020	(576,202)	(412,957)	(34,912)	(447,869)
Net gains on investments		55,917	-	55,917	6,420	-	6,420
Net (expenditure) / income for the year		(557,305)	37,020	(520,285)	(406,537)	(34,912)	(441,449)
Transfers between funds		-	-	-	2,400	(2,400)	-
Net movement of funds for the year		(557,305)	37,020	(520,285)	(404,137)	(37,312)	(441,449)
Reconciliation of funds:							
Balances brought forward at 31 March 2018		6,550,865	51,756	6,602,620	6,955,001	89,068	7,044,069
Balances carried forward 31 March 2019	19a	5,993,560	88,776	6,082,335	6,550,865	51,756	6,602,620

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 20a to the financial statements.

Katharine House Hospice

Balance sheet

As at 31 March 2019

	Note	The group		The charity	
		2019	2018	2019	2018
		£	£	£	£
Fixed assets:					
Intangible assets	11	8,846	4,617	8,846	4,617
Tangible assets	12	1,970,377	2,021,286	1,970,377	2,021,286
Investments	13	2,850,871	2,829,524	2,850,872	2,829,525
		<u>4,830,094</u>	<u>4,855,427</u>	<u>4,830,095</u>	<u>4,855,428</u>
Current assets:					
Debtors	17	560,389	876,928	561,897	880,186
Short term deposits		-	-	-	-
Cash at bank and in hand		1,209,177	1,230,021	1,207,668	1,228,512
		<u>1,769,566</u>	<u>2,106,949</u>	<u>1,769,565</u>	<u>2,108,698</u>
Liabilities:					
Creditors: amounts falling due within one year	18	(517,325)	(359,756)	(517,325)	(361,506)
Net current assets		<u>1,252,241</u>	<u>1,747,193</u>	<u>1,252,240</u>	<u>1,747,192</u>
Total assets less current liabilities	19a	<u>6,082,335</u>	<u>6,602,620</u>	<u>6,082,335</u>	<u>6,602,620</u>
Funds:					
Restricted income funds	20a	88,776	51,756	88,776	51,756
Unrestricted funds		5,993,559	6,550,864	5,993,559	6,550,864
Total funds	19a	<u>6,082,335</u>	<u>6,602,620</u>	<u>6,082,335</u>	<u>6,602,620</u>

Approved by the trustees on 18 December 2019 and signed on their behalf by



Dr Jonathan Williams
Chair of Trustees

Katharine House Hospice

Consolidated statement of cash flows

For the year ended 31 March 2019

	Note	2019 £	£	2018 £	£
Cash flows from operating activities					
Net expenditure for the reporting period (as per the statement of financial activities)		(576,202)		(447,869)	
Amortisation of intangible assets		3,161		3,147	
Depreciation of fixed assets		118,454		111,041	
(Gains)/losses on investments	5	(16,853)		-	
Dividends, interest and rent from investments		(124,110)		(118,712)	
(Profit)/loss on the disposal of fixed assets		(285)		249	
(Increase)/decrease in debtors		316,539		(232,182)	
Increase/(decrease) in creditors		157,569		53,747	
Net cash provided by / (used in) operating activities			(121,727)		(630,579)
Cash flows from investing activities:					
Interest received	5	44,382		53,257	
Dividends received	5	79,728		65,456	
Purchase of intangible fixed assets		(7,390)		(270)	
Proceeds from sale of tangible fixed assets		285		-	
Purchase of tangible fixed assets		(67,545)		(53,520)	
Proceeds from sale of investments		363,235		160,333	
Purchase of investments		(311,812)		(168,008)	
Net cash provided by / (used in) investing activities			100,883		57,248
Change in cash and cash equivalents in the year			(20,844)		(573,331)
Cash and cash equivalents at the beginning of the year			1,230,021		1,803,352
Cash and cash equivalents at the end of the year			1,209,177		1,230,021

1 Summary of significant accounting policies

The format and content of the financial statements have been prepared in accordance with the recommendations in 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), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015. At the time of approving the accounts, the Trustees have a reasonable expectation that Katharine House Hospice has adequate resources to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of accounting in preparing the accounts.

The financial statements have been prepared in accordance with the following accounting policies:

a) General Information and Basis of Preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, modified by the inclusion of fixed asset investments at their market value.

b) Basis of preparation of group financial statements

The group financial statements consolidate the financial statements of the charitable company and of its subsidiary undertaking, Katharine's Cupboard Limited, made up to 31 March 2019. The Charity has adapted the Companies Act format of the financial statements to reflect the special nature of the Charity's activities. No separate Statement of Financial Activities has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006 and the Charities SORP 2015 (FRS 102). The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

c) Income recognition

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income, the amount can be quantified with reasonable accuracy and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

Donations are accounted for as received by the Charity.

Gifts in kind, including donated facilities and services, are recognised in income at their fair value.

No amount is included in the financial statements for volunteer time in line with the SORP 2015 (FRS 102).

Legacies are recognised at the earliest of either the Charity being notified of an impending distribution or when they are received and when they are quantifiable.

Shop income is recognised on a cash receipt basis.

Lottery income is recognised when allocated to the current week's draw. Lottery funds received and not drawn before the balance sheet date are recorded as deferred income and included within creditors in the balance sheet.

The income from fund raising ventures is shown gross, with the associated costs included within fund raising costs.

Investment income is included when receivable. Realised and unrealised gains and losses are dealt with in the Statement of Financial Activities.

Grant income, including government grants, is recognised when received and conditions for receipt have been complied with. Grants restricted for use in future accounting periods are deferred and recognised in those future accounting periods.

d) Expenditure Recognition

All expenditure is accounted for on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as irrecoverable VAT in the appropriate expense category. Expenditure is categorised under the following headings:

Costs of Raising Funds which comprise of costs incurred in encouraging people and organisations to contribute financially to the Charity's work. This includes the cost of advertising for donations, the running of the lottery including prize money, costs associated with the running of the shops and the staging of special fundraising events.

Expenditure on Charitable Activities comprises those costs incurred by the Charity in the delivery of specialist palliative care and associated services for patients with a terminal illness.

Other Expenditure represents investment managers costs and those items not falling into the categories above.

Notes to the financial statements

For the year ended 31 March 2019

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly to that activity, with remaining support costs (which include office costs, governance costs and administrative payroll costs) being allocated to a particular activity on an appropriate basis as set out in notes 6 and 7.

e) Fixed Asset Investments

These investments were previously held at market value and were revalued on an annual basis. As the securities are held to maturity for the purposes of income generation and not capital appreciation, the Trustees felt it more appropriate to show these at cost less amortisation of premium paid. Listed Equities are stated at market value as at the balance sheet date. Realised and unrealised gains and losses on investments during the year are dealt with in the Statement of Financial Activities.

f) Current Asset Investments

These investments are held in medium-term, fixed rate notice accounts.

g) Intangible Assets

Intangible assets are amortised on a straight line basis over their useful lives as follows:
Computer software - 20%

h) Tangible Fixed Assets

Tangible fixed assets are included in the financial statements at historical cost, less accumulated depreciation. Depreciation of tangible fixed assets is provided on a straight line basis, calculated at annual rates estimated to write off each asset over the term of its useful life. The depreciation rates applicable are:

Freehold land - nil
Freehold buildings - 2%
Leasehold improvements - period of the lease
Fixtures and fittings - 10%, 20% and 33.3% as appropriate per asset
Motor vehicles - 20%

i) Stock

Any stocks held are felt by the Trustees to be insignificant and carry no value.

j) Taxation

The company is registered as a Charity and is not liable to corporation tax on its charitable activities.

k) Value Added Tax

The Charity and its trading subsidiary have a group registration for VAT purposes. The group is partially exempt for the purposes of VAT.

l) Pension costs

Retirement benefits are provided to employees by way of various pension schemes as set out in note 11. Contributions payable to these pension schemes are charged in the Statement of Financial Activities in the period to which they relate. Any differences between the contributions payable in the year and those actually paid are included within creditors in the Balance Sheet.
FRS 102 requires fixed payments amounts to be included on the Balance Sheet.

m) Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the term of the lease

Katharine House Hospice

Notes to the financial statements

For the year ended 31 March 2019

n) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, funding providers or which have been raised by the Charity for a particular purpose. The costs of raising and administering such funds are charged against the specific fund.

o) Cash at bank and in hand

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

p) Creditors and provisions

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial Investments

The trust 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 bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Donations	757,468	155,884	913,352	749,066	38,216	787,282
Legacies	436,144	-	436,144	513,711	-	513,711
	<u>1,193,612</u>	<u>155,884</u>	<u>1,349,496</u>	<u>1,262,777</u>	<u>38,216</u>	<u>1,300,993</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Statutory NHS funding	1,045,603	22,558	1,068,161	1,031,010	23,662	1,054,672
Fees & Grants	16,496	-	16,496	6,087	-	6,087
Gifts in Kind	-	52,244	52,244	-	49,752	49,752
Total income from charitable activities	<u>1,062,099</u>	<u>74,802</u>	<u>1,136,901</u>	<u>1,037,097</u>	<u>73,414</u>	<u>1,110,511</u>

The hospice has had gifts in kind in the form of donated services for Specialist Registrar services. An amount of £52,244 (2018: £49,752) has been shown as incoming and expended resource with a net nil effect on the results of

Katharine House Hospice

Notes to the financial statements

For the year ended 31 March 2019

4 Income from other trading activities

			2019			2018
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Charity shop income	867,509	-	867,509	816,521	-	816,521
Lottery	200,164	-	200,164	207,312	-	207,312
Other fundraising	216,952	-	216,952	197,587	-	197,587
Other generated income	6,145	-	6,145	5,804	-	5,804
	<u>1,290,770</u>	<u>-</u>	<u>1,290,770</u>	<u>1,227,224</u>	<u>-</u>	<u>1,227,224</u>

5 Income from investments

			2019			2018
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Dividends - Equities	79,728	-	79,728	65,456	-	65,456
Interest - Fixed Interest	43,319	-	43,319	52,264	-	52,264
Interest - Deposits	1,063	-	1,063	992	-	992
Gain on sale	16,853	-	16,853	-	-	-
	<u>140,963</u>	<u>-</u>	<u>140,963</u>	<u>118,712</u>	<u>-</u>	<u>118,712</u>

6 Analysis of total expenditure

	Basis of allocation	Charity shops	Charity lottery	Fundraising	Investments	Charitable activities	2019 Total	2018	Total
		£	£	£	£	£	£		£
Costs directly allocated to activities									
Staff costs	Direct	292,040	27,866	276,497	-	2,152,721	2,749,123	2,541,120	
Rent & other shop costs	Direct	234,108	-	-	-	-	234,108	200,024	
Merchandise Costs	Direct	4,841	-	-	-	-	4,841	29,480	
Staff training, recruitment and welfare	Direct	320	-	563	-	33,151	34,033	47,658	
Staff and patient travel	Direct	7,837	-	2,098	-	28,935	38,871	33,845	
Waste removal	Direct	22,293	-	-	-	10,945	33,237	27,498	
Lottery prizes and costs	Direct	-	93,643	-	-	-	93,643	85,990	
Other fundraising costs	Direct	-	-	116,470	-	-	116,470	83,926	
Irrecoverable VAT	Direct	-	-	13,077	-	-	13,077	10,596	
Investment manager costs	Direct	-	-	-	13,894	-	13,894	15,094	
Repairs to clinical equipment	Direct	-	-	-	-	18,635	18,635	19,312	
Patient welfare	Direct	-	-	-	-	7,862	7,862	4,096	
Medical consumables	Direct	-	-	-	-	125,673	125,673	116,763	
Other Charitable Activities costs	Direct	-	-	-	-	17,269	17,269	11,068	
Depreciation	Direct	6,037	1,845	5,534	-	53,873	67,289	60,893	
		567,475	123,353	414,239	13,894	2,449,062	3,568,024	3,287,363	
Support costs allocated to activities									
Catering costs	Floor	1,513	-	10,591	-	139,196	151,300	142,852	
Housekeeping costs	Floor	793	-	5,548	-	72,918	79,259	63,002	
Administration staff costs	w.t.e	94,975	-	43,170	-	293,677	431,823	430,388	
Administrative and office expenses	Head	2,486	-	1,243	-	8,701	12,430	21,641	
Administrative and office expenses	w.t.e	15,002	-	6,819	-	46,371	68,193	59,064	
Utilities, services and insurance	Floor	615	-	4,308	-	56,623	61,546	64,847	
Repairs and maintenance	Floor	321	-	2,248	-	29,548	32,118	42,117	
Governance	Floor	261	-	1,827	-	24,006	26,093	30,643	
Irrecoverable VAT	Floor	92	-	645	-	8,483	9,221	9,847	
Depreciation	Floor	543	-	3,803	-	49,981	54,327	53,545	
Total expenditure 2019		684,077	123,353	494,442	13,894	3,178,566	4,494,332	917,946	
Total expenditure 2018		626,294	113,852	434,027	15,094	3,016,042	-	4,205,309	

Expenditure on raising funds was £1,301,872 (2018 - £1,174,173) of which £6,650 was allocated to restricted funds (2018 - £913) and £1,295,222 to unrestricted funds (2018 - £1,173,260). Expenditure on charitable activities was £3,178,566 (2018 - £3,016,043) of which, £187,016 was allocated to restricted funds (2018 - £145,629) and £2,991,550 to unrestricted funds (2018 - £2,870,413).

7 Analysis of expenditure on charitable activities

	Basis of allocation	Charitable							2019 Total £	2018	Total £
		In Patient Unit £	Day Hospice £	CNS Home Care £	Hospital Liaison £	Lymphoedem a £	Bereavement service £	Welfare & education £			
Costs directly allocated to Charitable Activities:											
Clinical Staff Costs	Direct	911,197	78,236	408,105	64,199	31,968	583	124,451	1,618,740	1,489,842	
Clinical Staff Costs	Useage	321,688	55,368	99,426	1,911	1,911	47,838	5,840	533,981	535,551	
Staff training, recruitment and welfare	Direct	22,212	1,326	5,636	332	332	1,326	1,988	33,151	29,748	
Staff and patient travel	Direct	-	14,524	11,271	199	-	1,815	1,126	28,935	32,247	
Waste removal	Direct	10,945	-	-	-	-	-	-	10,945	9,342	
Repairs to clinical equipment	Direct	18,635	-	-	-	-	-	-	18,635	19,312	
Patient welfare	Direct	3,931	3,931	-	-	-	-	-	7,862	4,096	
Medical consumables	Direct	118,569	-	-	-	7,104	-	-	125,673	116,763	
Other Charitable Activities costs	Direct	5,182	5,180	5,179	432	432	432	432	17,268	11,068	
Depreciation	Direct	29,773	22,988	1,111	-	-	-	-	53,873	50,947	
		1,442,131	181,554	530,728	67,072	41,746	51,993	133,837	2,449,062	2,298,916	
Support costs allocated:											
Catering costs	Head	93,261	5,568	23,663	1,392	1,392	5,568	8,352	139,196	122,853	
Housekeeping costs	Floor	43,751	10,938	7,292	-	1,458	1,458	8,021	72,918	56,071	
Administration staff costs	Head	196,803	11,742	49,905	2,936	2,936	11,742	17,614	293,677	300,900	
Administration and office expenses	Head	5,829	348	1,479	87	87	348	522	8,701	16,566	
Administration and office expenses	w.t.e	25,040	2,782	11,129	927	927	1,391	4,173	46,371	38,018	
Utilities, services and insurance	Floor	33,974	8,493	5,662	-	1,132	1,132	6,229	56,623	59,757	
Repairs and maintenance	Floor	17,729	4,432	2,955	-	591	591	3,250	29,548	38,748	
Governance	Floor	14,403	3,601	2,401	-	480	480	2,641	24,006	25,873	
Irrecoverable VAT	Floor	5,090	1,273	848	-	170	170	933	8,484	9,059	
Depreciation	Floor	29,989	7,497	4,998	-	1,000	1,000	5,498	49,981	49,281	
Total expenditure 2019		1,908,000	238,229	641,061	72,414	51,919	75,874	191,069	3,178,666	3,016,042	
Total expenditure 2018		1,829,764	201,860	632,444	69,317	51,057	66,169	165,431		3,016,042	

8 Net (expenditure) / income for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Depreciation of fixed assets	118,454	111,041
Amortisation of intangible assets	3,161	3,147
(Profit) / loss on disposal of fixed assets	(285)	249
Operating lease rentals:		
Property	124,233	120,090
Auditor's remuneration (excluding VAT):		
Audit	12,410	10,325
Other services	6,090	8,169
	<u> </u>	<u> </u>

9 Staff costs and numbers

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	2,778,549	2,605,007
Redundancy and termination costs	12,292	-
Social security costs	245,155	214,781
Pension costs	329,144	313,648
	<u> </u>	<u> </u>
	<u>3,365,140</u>	<u>3,133,436</u>

Redundancy and termination payments are accounted for in the period in which the payments were made. During the current financial year such payments amounted to £12,292 (2018: £nil) and were charged to unrestricted funds.

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

The average number of persons employed by the Charity during the year was:

	2019 FTE	2018 FTE	2019 No.	2018 No.
Charitable activities	40	40	71	73
Support activities	19	15	35	26
Raising funds	21	20	33	29
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>80</u>	<u>75</u>	<u>139</u>	<u>128</u>

F.TE.: Full time equivalent

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2019 No.	2018 No.
£60,000 - £69,999	2	3
£70,000 - £79,999	1	-
	<u> </u>	<u> </u>

The key management personnel of the Trust comprise the trustees, the Chief Executive Officer, Medical Director, Director of Nursing and The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £330,707 (2018: £344,944).

Two of the higher paid employees are members of the NHS defined benefit pension scheme and the other has an individual defined contribution pension scheme to which the hospice contributes.

The Charity trustees were neither paid, nor received any other benefits from employment with the Trust or its subsidiary in the year (2018: £nil), neither were they reimbursed expenses during the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the Charity (2018: £nil).

10 Pension costs

The Charity operates two pension schemes for the benefit of all employees. The assets of the pension schemes are held separately from those of the Charity in independently administered funds.

NHS Pension Scheme - Defined Benefit Scheme

A number of the Charity's employees are eligible to join the National Health Service pension scheme. The scheme is a defined benefit multi-employer pension scheme administered for the benefit of NHS employees, General Practices and other bodies allowed under the direction of the Secretary of State. The Charity is unable to identify its share of the underlying notional assets and liabilities of the scheme with any certainty and accordingly has accounted for the scheme, as permitted by FRS102: as if it were a defined contribution scheme.

The employer's contributions to the scheme in the current year were based on a contribution rate of 14.38% of pensionable pay (2018: 14.38% of pensionable pay) with employees contributing between 5.6% and 13.5% of pensionable pay in accordance with NHS revised contribution rules (2018: between 5.6% and 13.5% of pensionable pay). The pension cost for the year as included in the Statement of Financial Activities represents contributions payable by the Charity to the NHS scheme during the year and amounted to £146,105 (2018: £128,795). There was a balance owing to the scheme as at 31 March 2019 of £20,556 (2018: £18,025).

The most recent full actuarial valuation of the NHS pension scheme was as at 31 March 2013, which covered the period from 1 April 2004 to 31 March 2012, which was undertaken by the Government Actuary. The notional deficit of the scheme as per this most recent valuation was £10.3bn.

Aviva Pension Scheme - Defined Contribution Scheme

The main pension scheme operated by the Charity for those not eligible to join the NHS scheme is administered by Aviva and is a group personal pension scheme with defined contribution rules. The scheme was set up in 2008 with both a higher contribution rate from the employer of up to 13% of pensionable pay and an opportunity to contribute via a salary sacrifice arrangement which the Trustees felt fairly reflected a modern pension scheme for its employees. Since May 2014 this has been used as the Charities Auto Enrolment scheme. The pension cost for the year represents contributions payable by the Charity and the employees to the scheme and amounted to £179,058 (2018: £153,703). There was a balance owing to the scheme as at 31 March 2019 of £18,409 (2018: £13,994).

The above balances outstanding at the financial year end were paid into their respective schemes by their due dates in April 2019.

Katharine House Hospice

Notes to the financial statements

For the year ended 31 March 2019

11 Intangible fixed assets (Group & Charity)

Cost	Computer software £	Total £
At 1 April 2018	24,353	24,353
Additions in year	7,390	7,390
Disposals in year	-	-
At 31 March 2019	31,743	31,743
Depreciation		
At 1 April 2018	19,736	19,736
Charge for the year	3,161	3,161
Eliminated on disposal	-	-
At 31 March 2019	22,897	22,897
Net book value		
At 31 March 2019	8,846	8,846
At 1 April 2018	4,617	4,617

All of the above assets are used for charitable purposes.

12 Tangible fixed assets (Group & Charity)

Cost	Freehold land and buildings £	Leasehold improvement £	Fixtures and fittings £	Motor vehicles £	Total £
At 1 April 2018	2,831,171	58,125	703,020	37,067	3,629,383
Additions in year	-	2,973	64,572	-	67,545
Disposals in year	-	-	(15,583)	-	(15,583)
At 31 March 2019	2,831,171	61,098	752,009	37,067	3,681,345
Depreciation					
At 1 April 2018	1,001,492	47,356	539,807	19,442	1,608,097
Charge for the year	56,235	3,386	51,420	7,413	118,454
Eliminated on disposal	-	-	(15,583)	-	(15,583)
At 31 March 2019	1,057,727	50,742	575,644	26,855	1,710,968
Net book value					
At 31 March 2019	1,773,444	10,356	176,365	10,212	1,970,377
At 1 April 2018	1,829,679	10,769	163,213	17,625	2,021,286

Land with a value of £20,000 (2018: £20,000) is included in Freehold land and buildings and is not depreciated. All of the above assets are used for charitable purposes.

Katharine House Hospice

Notes to the financial statements

For the year ended 31 March 2019

13 Investments	Fixed Interest	Listed equities at	Group total	Unlisted	Charity total
	£	£	£	£	£
Fair value at 1 April 2018	859,224	1,970,300	2,829,524	1	2,829,525
Additions	94,714	217,098	311,812	-	311,812
Disposals	(49,934)	(296,448)	(346,382)	-	(346,382)
Revaluation during the year	(5,602)	61,519	55,917	-	55,917
Fair value at 31 March 2019	898,402	1,952,469	2,850,871	1	2,850,872
Fair value at 1 April 2018	859,224	1,970,300	2,829,524	1	2,829,525

14 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Katharine's Cupboard Limited, a company registered in England. The company number is 06297831. The registered office address is East End, Adderbury, Banbury, Oxfordshire, OX17 3NL.

The subsidiary did not trade during the current or preceding year. An amount of £1,750 was written off in the year.

The aggregate of the assets, liabilities and reserves was:	2019 £	2018 £
Assets	23,506	23,506
Liabilities	(23,505)	(23,505)
Reserves	1	1

Amounts owed to the parent undertaking are shown in note 16.

15 Parent charity

The parent charity's gross income and the results for the year

	2019 £	2018 £
Gross income	3,974,047	3,763,860
Result for the year	(520,285)	(441,449)

16 Debtors

	The Group		The Charity	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	68,668	275,408	68,668	275,408
Other debtors	6,328	2,076	6,328	2,076
Prepayments & accrued income	429,504	533,867	429,504	533,867
VAT recoverable	55,889	65,577	55,889	65,577
Amount owed by group undertaking	-	-	1,508	3,258
	560,389	876,928	561,897	880,186

Notes to the financial statements

For the year ended 31 March 2019

17 Creditors: amounts falling due within one year

	The Group		The Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	147,165	110,265	147,165	112,015
Taxation and social security	61,254	54,545	61,254	54,545
Other creditors	38,378	32,914	38,378	32,914
Accruals	74,786	98,680	74,786	98,680
Deferred income (note 18)	195,742	63,352	195,742	63,352
	517,325	359,756	517,325	361,506

18 Deferred income

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Balance at the beginning of the year	63,352	64,511	63,352	64,511
Amount released to income in the year	(63,352)	(64,511)	(63,352)	(64,511)
Amount deferred in the year	195,742	63,352	195,742	63,352
	195,742	63,352	195,742	63,352

Deferred income comprises £137,000 of funding invoiced in advance to Oxfordshire CCG (2018: £nil), £56,506 (2018: £54,552) of subscriptions to the lottery not drawn before the year end and £2,236 (2018: £8,800) of fundraising income for future events.

19a Analysis of group net assets between funds (current year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Intangible assets	8,846	-	-	8,846
Tangible assets	1,950,838	-	19,539	1,970,377
Investments	2,850,871	-	-	2,850,871
Net current assets	1,183,004	-	69,237	1,252,241
Net assets at 31 March 2019	5,993,559	-	88,776	6,082,335

19b Analysis of group net assets between funds (prior year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Intangible assets	4,617	-	-	4,617
Tangible assets	2,021,286	-	-	2,021,286
Investments	1,029,525	1,800,000	-	2,829,525
Net current assets	1,695,436	-	51,756	1,747,192
Net assets at 31 March 2018	4,750,864	1,800,000	51,756	6,602,620

Katharine House Hospice

Notes to the financial statements

For the year ended 31 March 2019

20a Movements in funds (current year)

	At 1 April 2018 £	Income £	Expenditure & losses £	Transfers and Gains £	At 31 March 2019 £
Restricted funds:					
Hospice Staffing	24,674	94,684	(93,790)	-	25,568
Seven Day Service	16,080	-	(16,080)	-	-
Patient Welfare	491	933	(1,020)	-	404
Chapel	2,318	-	(491)	-	1,827
Equipment	1,000	53,377	(593)	-	53,784
Projects	-	6,650	(6,650)	-	-
Grounds and Gardens	7,193	240	(240)	-	7,193
Intangible Funding	-	74,802	(74,802)	-	-
Total restricted funds	51,756	230,686	(193,666)	-	88,776
Unrestricted funds:					
Designated funds:					
Service Development Fund	800,000	-	-	(800,000)	-
Major Refurbishment Fund	1,000,000	-	-	(1,000,000)	-
Total designated funds	1,800,000	-	-	(1,800,000)	-
General funds	4,750,864	3,687,444	(4,300,666)	1,855,917	5,993,559
Total unrestricted funds	6,550,864	3,687,444	(4,300,666)	55,917	5,993,559
Total funds	6,602,620	3,918,130	(4,494,332)	55,917	6,082,335

Transfers of £800,000 and £1,000,000 have been made from the Service Development Fund and Major Refurbishment Fund to the General Fund (Hospice Services Protection Fund), for the reasons set out in the Trustees' Report. The narrative to explain the purpose of each fund is given at the foot of the note below.

Katharine House Hospice

Notes to the financial statements

For the year ended 31 March 2019

20b Movements in funds (prior year)

	At 1 April 2017	Income & gains	Expenditure & losses	Transfers and Gains	At 31 March 2018
	£	£	£	£	£
Restricted funds:					
Hospice Staffing	33,592	32,850	(41,768)	-	24,674
Seven Day Service	32,500	-	(16,420)	-	16,080
Patient Welfare	13,511	326	(13,348)	-	491
Chapel	2,017	360	(59)	-	2,318
Equipment	2,452	1,000	(52)	(2,400)	1,000
Projects	314	550	(864)	-	-
Grounds and Gardens	4,682	3,130	(619)	-	7,193
Intangible Funding	-	73,414	(73,414)	-	-
Total restricted funds	89,068	111,630	(146,542)	(2,400)	51,756
Unrestricted Funds:					
Designated funds:					
Service Development Fund	800,000	-	-	-	800,000
Major Refurbishment Fund	1,000,000	-	-	-	1,000,000
Total designated funds	1,800,000	-	-	-	1,800,000
General Fund	5,155,001	3,645,810	(4,058,767)	8,820	4,750,864
Total unrestricted funds	6,955,001	3,645,810	(4,058,767)	8,820	6,550,864
Total funds	7,044,069	3,757,440	(4,205,309)	6,420	6,602,620

Fund Descriptions

Restricted Funds comprise:

Hospice Staffing Fund: This fund represents donations received with the specific request that they be used to defray the cost of Hospice Staffing. The majority of donations received during the year were for Physiotherapy. Not all these sums were called upon through the remainder of the year and are therefore carried forward.

Seven Day Service Fund: Donations were received towards the cost of running the service which was successfully launched in 2017/18.

Patient Welfare Fund: This represents donations toward equipment and projects that enhance patient wellbeing and welfare. This includes Art Room supplies, massage and therapy supplies, musical instruments, games and CDs.

Chapel Fund: This represents monies given to us for use by the Chaplain in defraying certain expenses incurred in the running of the chapel.

Equipment Fund: This fund is for donations given towards the purchase of new equipment.

Projects: The fund represents donations towards the cost of specific projects - such as the annual Midnight Walk and Lights of Love events.

Grounds and Gardens Fund: This represents donations towards the upkeep of our grounds and gardens which contribute to the atmosphere of peace and tranquility at the Hospice for all who come to us.

Intangible Funds: The fund represents the provision of NHS non pharmacy services £22,558 and a Specialist Registrar £52,244 by the Oxford Radcliffe Hospitals Trust. No direct charge is made to the Hospice for these services, however this treatment is considered to better reflect the costs required to provide palliative care services by the Hospice.

Unrestricted Funds comprise:

General Fund: (Hospice Services Protection Fund) This fund recognises the need to protect Hospice services and the high level of costs incurred by Katharine House, together with the challenges of maintaining and building both statutory and fundraising income common to all within the hospice sector. The target level of £2.5m to £3m will enable Katharine House to manage short term losses of statutory or fundraising income and provide sufficient time to plan any required changes to safeguard the future delivery of services. This fund will continue to be treated as unrestricted funding, in line with the wider charity sector.

Designated Funds comprise:

Service Development Fund: This was established in prior years, with a transfer of £800,000, to help fund the growth of new services in line with our strategic plan. The funds have been transferred into the General Fund during the current year for reasons set out in the Trustees Report.

Major Refurbishment Fund: The Trustees recognise the importance of maintaining the Hospice environment, the fabric of the building and the equipment, so that it is fit for purpose to meet future needs and requirements. A transfer of £1,000,000 was made to this designated fund in prior years to ensure suitable alterations and adaptations may be made as necessary. The Funds have been transferred into the General Fund during the current year for reasons set out in the Trustees Report.

21 Operating lease commitments payable as a lessee

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2019	2018
	£	£
Less than one year	85,286	106,669
One to five years	236,529	342,029
Over five years	135,989	177,489
	457,804	626,187

22 Capital commitments

At the balance sheet date, the group had no capital commitments (2018: £nil)

23 Contingent liability

We are reviewing the terms of our Direction Status Agreement with NHS Pensions and the pensionable status of groups of employees. (2018 £nil)

24 Related party transactions

As at 31 March 2019 the sum of £1,506 was owed by Katharine's Cupboard Limited to Katharine House Hospice Trust.

25 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary, Katharine's Cupboard Limited, did not trade during the year.

Katharine House Hospice

Aynho Road, Adderbury, Banbury OX17 3NL

Reg. Charity No 297099

www.khh.org.uk