

Company Registration Number: 1654807



NORTH LONDON HOSPICE

(a company limited by guarantee and not having a share capital)

Registered Charity Number: 285300

REPORT AND ACCOUNTS

31st March 2019

NORTH LONDON HOSPICE

REPORT AND ACCOUNTS - 31ST MARCH 2019

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NORTH LONDON HOSPICEBOARD OF TRUSTEES AND PROFESSIONAL ADVISERS

Registered Office: 47 Woodside Avenue
London N12 8TF

Board of Trustees: Ms. E. B. Jones (Chairman - from 8th May 2018)
Mr. G. S. Hill (Honorary Treasurer and Honorary Secretary)
Mr. S. K. Bhaduri
Mrs. J. R. Brown
Rev L. Davidson
Mrs. C. M Holmes
Mr. S. Morris
Mrs. L. A. Nash
Mr. J. Reid
Dr. J. A. Tobin
Mr. G. W. Wilson (resigned 18 June 2019)
Mr. H. T. F. Easterling (appointed 18 June 2019)
Mrs. B. J. Taylor (appointed 18 June 2019)

The Executive Team: Ms. P. A. McClinton (Chief Executive)
Dr. C. H. Baxter (Medical Director & Consultant - resigned 30 November 2018)
Dr. S. Edward (Medical Director & Consultant - appointed 1 December 2018)
Ms. F. Deane (Director of Clinical Services)
Mr. R. Langrishe (Director of Fundraising and Communications)
Mr. N. Sooryakumaran (Commercial and Finance Director)
Mr. M. Stogdon (Director of Patient and Family Support - resigned 28 June 2019)

Company Secretary: Mr. G. S. Hill

External Auditor: Kingston Smith LLP
Chartered Accountants and Statutory Auditor
Orbital House
20 Eastern Road
Romford
Essex RM1 3PJ

Bankers: Barclays Bank p.l.c.
Barnet & Hampstead Business Banking
P O Box 12820
London N20 0WE

Investment Managers: Newton Investment Management Limited
The Bank of New York Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The Board of Trustees of the North London Hospice ('The Hospice') presents its Annual Report for the year ended 31 March 2019 in accordance with the provisions of the Companies Act 2006 and the Charities Act 2011. The audited accounts for that year are also presented and comply with the Companies Act 2006, the Hospice's governing document and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

The Hospice is a registered charity (No 285300) and a company (No 1654807) limited by guarantee. Its registered office is as shown on page 1.

The present trustees, the names of the senior executive staff and the professional external advisors of the charity are also listed on page 1.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE HOSPICE

The Hospice's objects are:

- To relieve sickness and suffering and, in particular but without prejudice to the generality of the foregoing, by the establishment and maintenance of a Hospice in North London for persons suffering from chronic or terminal diseases.
- To relieve the suffering of the families and friends of patients of the North London Hospice and in particular, but without prejudice to the generality of the foregoing, by the provision of practical, bereavement and other emotional support and programmes for education and advice.

Our principal activities to achieve these objects are the provision of specialist palliative care in inpatient, health & wellbeing and community settings. Education and training of healthcare professionals and partnerships with other organisations that share our objects also form an important part of our work. Our key aims achievements and performance against targets are discussed under the headings of "Our Key Aims" and "Achievements and Performance" within the Strategic Report on pages 8 to 16.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Hospice is governed by its Memorandum and Articles of Association adopted on 29 July 1982 and revised by Special Resolution at the Board Meeting held on 26 September 2017.

The Board of Trustees is responsible for the overall governance of the Hospice. Trustees are appointed by a resolution in a general meeting or by the other trustees and the total number of trustees must not exceed 15. The trustees are also the members of the charity and directors of the company. One third of the trustees must submit themselves for re-election by rotation at every Annual Retirement Meeting, trustees to retire by rotation shall be those who have been longest in office since their last appointment.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019 (Continued)

Effective partnership between trustees and the Executive Team continues to contribute significantly to our success. To ensure the trustee roles and responsibilities are carried out effectively, trustees are appointed on the basis of an area of professional or personal expertise or experience that complements that of existing trustees. The Hospice has in place insurance policy cover to indemnify any trustee, director or officer against legal liability for damages, costs and expenses permitted by law to be granted to the trustee, director or officer as a result of a wrongful act. Consideration is also given to how a trustee being considered for co-option will contribute to ensuring the diversity of the composition of the Board.

The Board of Trustees meet 10 times a year and individual trustees are required to attend on at least 6 occasions. These meetings set policy, approve and review a medium-term strategic plan and agree operating plans and budgets, as well as monitoring operational and financial performance. In addition, the trustees hold an annual Away Day with the Executive Team where the broad direction and priorities for action for the following year are set. New trustees receive an induction pack containing information about the Hospice and their responsibility as trustees. They also participate in a tailor-made induction programme, designed to ensure an adequate understanding of the work of the Hospice.

Governance Arrangements

As a result of its participation in the Help the Hospices Board Development Programme, the Board agreed to make a number of changes to the governance arrangements of the Hospice which came into effect in May 2013. Further refinement to declaration of conflict of interest, policy ratification process and recruitment process for Trustee appointments were agreed by the Board. The Board have also given consideration to the principles and recommended practice for good governance prescribed in the Charity Governance Code in writing this report.

The main purpose of these changes was to develop the Board's role and capacity to monitor the progress and implementation of the overall direction of the Hospice as set out in the Strategic Plan. In order to assist the Board in fulfilling this role, three formal sub-committees were set up with the following areas of responsibility. Each sub-committee is chaired by a trustee and has at least two additional trustee members, the Chief Executive and appropriate directors.

The Quality, Safety and Risk sub-committee (formerly the Clinical Governance Committee)

The purpose of this sub-committee is to ensure that adequate systems are in place to maximise the quality of service and minimise organisational risk in relation to patients, carers, support services and non-clinical functions, the wider community and partner organisations. Its key functions are to:

- monitor the quality of clinical services by ensuring compliance with external compliance and regulations;
- monitor all risk management procedures approved by the Board, including the maintenance of risk registers, adverse incidents and infection control;
- review all complaints; and
- consider all aspects of user feedback.

The Finance sub-committee

The purpose of this sub-committee is to assist the Board in fulfilling its duty to ensure the continuing financial viability of the Hospice. Its key functions are to:

- review the annual budget prior to approval by the Board;
- review the annual report and accounts prior to approval by the Board; and
- oversee the investment portfolio of the Hospice.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2019 (Continued)**

The Board Development and Remuneration sub-committee

The purpose of this sub-committee is to assist and advise the Board in its duty to ensure that adequate and appropriate governance arrangements are in place. Its key functions are to:

- develop and review procedures for recruitment and appraisal of trustees;
- review composition of the Board to identify any skills gaps and recommend appropriate action;
- review the collective development of the Board, trustee induction and training and improve the overall governance of the Hospice; and
- make annual recommendations to the Board on the remuneration of the CEO and Executive team.

In addition, two expert groups covering fundraising and retail operations have been set up which report to the Executive team. These are chaired by the appropriate Director and have at least one trustee member with relevant experience.

The Hospice uses the services of a team from Compton Fundraising Consultants Limited to carry its' fundraising activities. The team led by the Director of Fundraising and Communications, engaged exclusively in the work of the Hospice, reports to the Chief Executive; as part of the Executive Team provides regular updates and is in attendance at the meeting of Board of Trustees of the Hospice who have ultimate responsibility for setting the framework for compliance with best fundraising practice.

Chief Executive and Senior Managers

The Chief Executive is responsible for the day to day management of the charity's affairs and for implementing policies agreed by the Board of Trustees. The Chief Executive is assisted by a group of senior managers.

The pay of the Chief Executive and senior managers employed by the Hospice is reviewed annually and normally increased in accordance with pay increments awarded to all staff, benchmarked where appropriate with NHS Agenda for Change pay scales for clinical staff and NJC Local Government pay scales for social workers and a pay scale for administrative non-clinical staff. The Medical Director is employed by the Royal Free London NHS Foundation Trust and the Director of Fundraising and Communications is employed by Compton Fundraising Consultants Limited, their pay awards determined by their respective employers.

Group Structure

The Hospice has a wholly-owned subsidiary - North London Hospice (Trading) Limited (company no. 2268094). The subsidiary company did not trade in the year ended 31 March 2019 as the agency sales of goods under the gift-aid on donated goods scheme was carried out within the Hospice.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2019 (Continued)**

Statement of Trustees' Responsibilities and Corporate Governance

The trustees are responsible for their annual report, and for the preparation of accounts for each financial year which give a true and fair view of the incoming resources and application of those resources during the year, and of the state of affairs as at the end of the financial year. In preparing these accounts, the trustees are required to:

- ensure that suitable accounting policies are established and applied consistently;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards and statement of recommended accounting practice have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the Hospice will continue in operation.

The trustees confirm that they have complied with the above requirements in preparing the accounts.

The trustees have overall responsibility for ensuring that the Hospice has appropriate systems and controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Hospice and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Hospice and for their proper application as required by charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the Hospice is operating efficiently and effectively;
- all assets are safeguarded against unauthorised use or disposition and are properly applied;
- proper records are maintained and financial information used within the Hospice, or for publication, is reliable;
- the Hospice complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- a strategic plan and annual budget approved by the Board of Trustees;
- regular consideration by the Board of Trustees of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of day-to-day management authority and segregation of duties;
- identification and management of risks.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2019 (Continued)**

Risk Management

The ultimate responsibility for risk management lies with the Board of Trustees.

The trustees have an ongoing formal risk management process to assess business risks, and implement risk management strategies. This has involved identifying the types of risks the Hospice faces and prioritising them in terms of potential impact and likelihood of occurrence.

The major risks to which the North London Hospice is exposed, as identified by the trustees, have been reviewed and systems have been established to manage those risks.

Reserves Policy

The trustees reviewed the policy on reserves in March 2019 and kept the existing policy unchanged. The trustees recognised that with deficits forecast in the three year planning cycle general unrestricted reserves may fall below the 12 months operating expenditure level as a result of expanding our reach and the services the hospice offers to its' patients and their families, together with the investment in retail and fundraising activities to generate additional income, thereby increasing the hospice's baseline costs.

Accordingly the existing policy is at a level that the trustees consider will be adequate. The policy is to maintain at all times unrestricted reserves at a minimum of 9 months of unrestricted operating expenditure, taking account of future forecasts.

On current level of expenditure, maintaining unrestricted general fund between £7.4 million and £9.9 million will ensure long-term financial stability and enable the hospice to withstand external events which may affect the level of income received. Planned investment from reserves as part of the three-year plan to expand our services and improve the infrastructure will result in the reduction of the current level of unrestricted general fund of £12.6 million and increase the baseline cost.

Investment Policy

The Memorandum and Articles of Association do not place any restrictions on the investment policy to be adopted. Subject to the Trustee Act 2000, the trustees have invested surplus funds, whilst ensuring easy access to meet the operating costs of the Hospice.

Specific investment powers are delegated to Newton Investment Management Limited under the following restrictions:

- No investment in tobacco stocks, unquoted shares, derivatives or unregulated collective investment schemes;
- Investments are consolidated in Newton Fund for Charities, effectively holding units in a highly diversified but readily accessible portfolio.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2019 (Continued)**

PUBLIC BENEFIT STATEMENT

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The North London Hospice's objects comply directly with two of the Charities Act's descriptions of "charitable purpose":

- "the advancement of health" and
- "the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage".

The Hospice's charitable purpose is enshrined in the wording of the Hospice's objects as stated on page 2.

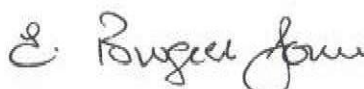
The trustees ensure that this purpose is carried out for the public benefit by delivering services that is valued by our patients, their families and friends and the community in general.

Hospice services are available to those most in need of the services in the London Boroughs of Barnet, Enfield and Haringey. The Hospice provides specialist palliative care in an inpatient, outpatient and therapies and community setting.

Disclosure of Information to the Auditor

So far as the trustees are aware, there is no relevant information of which the company's auditor is unaware. The trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Board of Trustees on 23 July 2019 and signed on its behalf by:



ELISABETH B. JONES
Chairman



GEOFFREY S. HILL
Company Secretary and
Honorary Treasurer

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Board of Trustees of the North London Hospice ('The Hospice') presents its Strategic Report for the year ended 31 March 2019.

OUR VISION

Our Vision is that everyone living in our diverse community affected by a potentially life limiting illness has equal access to the services and support they need to optimise their quality of life.

We care about people with a potentially life limiting illness and aim to add quality and meaning to their life journey.

We do this by:

- Delivering specialist palliative care;
- Providing additional support and services to meet individual needs;
- Sharing our skills and experience to influence others providing care;
- Maximising and supporting community involvement.

We provide this care and support to people in their own homes, care homes or in the Hospice itself.

OUR KEY AIMS

As part of the Three-Year Plan, 2018-21, the overall aim for 2018/19 was working together to make a difference to palliative and end of life care in our diverse communities by:

- Increasing collaborative partnerships internally and externally;
- Changing our internal approach to service delivery within available resources;
- Extending our reach and sphere of influence to meet increasing demand; and
- Embed NLH values and behaviours.

To achieve this we identified four strategic objectives:

- Each service to re-evaluate service delivery to be responsive to change – based on internal and external feedback;
- Seek out new collaborative opportunities internally and externally;
- Ensure quality of user experience remains central to all service delivery;
- Develop effective/smooth transitions and understanding between services.

Progress towards all of these has been made during the year.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019 (Continued)**

ACHIEVEMENTS AND PERFORMANCE

Each service to re-evaluate service delivery to be responsive to change – based on internal and external feedback

Last year we flagged that the demand on the community teams continued to rise and we needed to see if sustainable funding could be agreed. This has come to fruition with the Sustainability and Transformation Partnership (STP) funding and we now have 2 years to reach a target of supporting 75% of expected deaths in each Borough to sustain the investment. For year 2 of this plan this will increase the target for new referrals to community services at 1,075 for Barnet, 540 for Haringey and 870 for Enfield. The final target for each Borough is 1414 for Barnet, 642 for Haringey and 1142 for Enfield. Meeting these targets is dependent on successful recruitment and development of the multi-disciplinary team.

Recruitment to the clinical workforce continues to be a challenge and this has been further complicated with the need to recruit for the STP investment into the community teams. It is a challenge to retain and recruit staff as there is a lot of competition across London as well as a national shortage of nurses. We will continue our strategy to develop apprenticeships in clinical and non-clinical roles and also exploring how we might skill mix our nursing teams more using assistant practitioner and associate nurse roles.

The community teams have looked at skill mix and the ratio of Band 6 to Band 7 has changed and we have built on the success of the introduction of the Health Care Assistant to the team. The teams are now discussing different ways of working and the move to a team rather than an individual caseload.

The Board investment has also enabled recruitment to Occupational Therapy, Physiotherapy and Dietetic support.

The Health and Wellbeing model has had chance to embed and continues its co productive approach. We have seen growth in group activity, support to carers and non-cancer work this year and continue to grow the service for those with Breathlessness and Heart Failure. Next year will focus on making links into the community, and increasing referrals to the service.

A phased introduction of the Out of Hours service has commenced, this service currently gives advice and support and once fully staffed will also be able to offer urgent visits.

The Compassionate Neighbours (CN) project has taken shape this year and has recruited 96 CN's from our local communities to support socially isolated people (Community Members) at the end of life.

We continued to offer a variety of training to care homes in palliative and end of life care and continue to welcome nursing and social work students to the Hospice and this year extended placements to physio students. We also welcomed a number of overseas visitors to the Hospice this year, from as far afield as the USA, Japan and Myanmar.

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019 (Continued)

Development of IT systems is driven by user needs and in particular convergence with NHS IT strategy. The need to share clinical records with other providers of care through increased use of Coordinate My Care, implementation of EMIS and the transition to Health and Social Care Network (HSCN) continue to be a primary objective. Regularly upgrading our hardware to improve mobile working and implementing the infrastructure required for reliable videoconferencing to improve our reach and efficiency.

The Fundraising Department has had a challenging year in 2018/19 which has partly been due to the uncertainty with the Brexit negotiation and the potential outcome of a 'No Deal' exit. This has had an effect on the declining appreciation of London properties, static wages below inflation and 2.5% drop in High Street sales, all of which has reflected in the decline of donations and average value of gifts. Unpredictability of legacies compounds the situation and legacy income has dropped following a record breaking year in 2017/18.

However, this does not mean that our support is declining and concentration will be on developing our supporter journey to have a closer engagement with our donors, local companies and high net worth individuals which will also be assisted through the functionality of the new fundraising database. Furthermore, with the implementation of the Sustainability and Transformation Programme, we anticipate our donor numbers to increase by 40% which we expect to generate additional financial support.

We believe we have the right mix of activities to generate support and are assessing new income initiatives to further develop the income of the department in order to meet the increasing hospice operational costs.

With regard to the recently introduced General Data Protection Regulations (GDPR), Fundraising Regulator and Fundraising Preference Service, we have robust procedures in place to ensure all of our supporters want to hear about our activities and our data is true and correct to meet our supporter wishes.

While overall income with one less shop is at last year's level we have seen increase in sales in 12 of our shops while experiencing fall in sales in 5 of our 17 shops.

Work to maximise income generating potential through provision of training, performance management and improved logistics is being undertaken with the help of an external consultant. As we continue to have concerns that on some of our high streets the number of charity shops has reached saturation point; while consolidating our operations from the existing shops, search for an appropriately sized premises to increase furniture and logistics capacity, and invest in e-bay operation is ongoing. The closure of number of shops by the national commercial retailers and changing shopping habits has contributed to the continued reduction in footfall on the high street and more purchases made online.

Seek out new collaborative opportunities internally and externally

Early January 2019 saw the publication of the NHS 10 year plan with a shift of focus to local and regional level. This should give opportunity for continued engagement in the development of services as part of an Integrated Care System in each Borough and the North Central London (NCL) Sustainability and Transformation Partnership (STP).

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019 (Continued)**

Potential opportunities are:

- Health and Wellbeing support to cancer patients
- Personalised Care
- Integrated Care
- Vulnerable and at Risk Groups (access to Hospice services)

The production of STP has brought about change to End of Life (EoL) care across the NCL footprint. The North London Hospice (NLH) has received an increase in funding for the extension of its Community Service and this has resulted in a new service specification that goes across all of NCL Specialist Community Services. The lead commissioner model has also been implemented across the 5 Boroughs, work in the sharing of data and transparency across services has begun. NLH needs to continue to be ready to respond to service changes and or opportunities, in particular a Single Point of Access (SPA) for all palliative and EoL advice and referrals.

It will be interesting to see how Commissioning for palliative and EoL care changes in this next year with a Lead Commissioner role in place. Initial discussions have already taken place in relation to a new model of commissioning, with a move to the development of a local tariff. It is envisaged that this will see the relationship with Marie Curie Hospice develop as we work through these discussions with the Commissioner in 2019/20. It is vitally important that we continue to remain engaged as the integrated networks in each Borough mature, to continue to have a positive influence on patient/carer outcomes influencing Palliative and EoL care.

The Haringey Community Partnership has been commissioned for a further three years, securing full funding for the Haringey community team. This partnership is maturing with the individual players building relationships and coming together to meet the EoL needs for Haringey residents.

According to Carers UK, around 2.3 million adults have given up work to care for an elderly, disabled or seriously ill relative and almost three million have reduced their working hours. As well as taking a toll socially and emotionally, caring can affect family finances, and have a knock-on impact on tax revenues and benefit payments.

As our communities and needs change, and expectations rise we have looked at ways we can ignite and inspire our communities to support people as well as further supporting families and carers at the EoL with the following developments:

- Compassionate Neighbours
- Local Ambassadors in each Borough
- Kinship Carer role

Other ways to address increasing demand if not through NHS funding would be Board investment, Trust funds and or partnerships. Our relationship with Macmillan Cancer Support has worked well in the past and consideration will be given to further that relationship. We have also developed a good relationship with the Betty Messenger Foundation who are funding the Out of Hours pilot.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019 (Continued)**

It will also be important to continue the relationship with Marie Curie Hospice Hampstead (MCHH), together we can have a very influential and stronger voice within NCL. Our initial ideas have been to work together on the Research agenda in partnership with University College London Partners (UCLP).

NLH will continue to be a part of the PallE8 network across North Central and North East London. Discussions are still taking place to develop an approach to out of hours Consultant cover across the area, this needs to link in with the development of a SPA.

Procurement of end of life services by way of tender could still take place. We will appoint external consultants to assist us to respond to tenders when required.

Ensure quality of user experience remains central to all service delivery

Even though for the year occupancy of 5010 bed days was at 76%, occupancy rates in the In-patient unit (IPU) at times have exceeded 80%.

Mentorship and individual support to IPU by a Practice Educator on a weekly basis has commenced this year with good feedback. Our two day Palliative Care course for healthcare professionals has been successfully accredited at RQF Level 5. Additional courses offered in the Hospice Education prospectus, such as the RQF Level 2 Award in awareness of end of life care, Namaste, Advanced Communication Skills, Summer and Autumn School were all delivered with positive evaluations.

Continued quality improvement through audit and monitoring of our services to ensure compliance with CQC standards, End of Life Standards and Peer Review were progressed by wider departmental participation in audits, completion of action plans and evidence for Peer Review.

Personalised care planning, internal and external training, co-ordinated data collection, periodic reporting and real-time user feedback were progressed during the year. Results of the survey indicate that we continue to maintain our high standards treating our patients and their relatives with compassion, understanding, courtesy, respect and dignity with overall satisfaction rating exceeding 95%.

With the GDPR which came into effect in May 2018, there is increased requirement not only to ensure data security but also be able to demonstrate continuous monitoring of data assets and periodic review by the Data Protection Officer.

Education and development of our own staff and other external professionals will continue to be central to our delivery as will our partnership with Barnet and Southgate College which has led to accreditation of courses.

Robust management of risk, complaints and incidents was continued through completion of appropriate documentation and incorporated within all managers' objectives.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019 (Continued)**

Develop effective/smooth transitions and understanding between services

We continued the work to build a culture of trust within the organization and the use of a common language based on behaviours that build trust and to help us with difficult issues. This was kept live through the Personal Development Review (PDR) process.

Staff were involved in the development of the set of values that are now incorporated into the PDR process and are part of recruitment and selection. Our values are:

Walk the talk;

- Trusting Relationships
- Adaptable
- Learning and development
- (K) Communication

The aim is to create one organisation by supporting the development of a learning culture and communicating the Mission Vision and Values of the Hospice.

The Staff Survey this year picked up that there is a need for better inter departmental working and communication so we will continue to work on this to understand our culture and staff/volunteer perceptions.

Management development will continue to take a focus through the next 2 years including designing a rolling programme for management induction as well as continuing to develop skills and behaviours in 'Leading at the Speed of Trust'.

One of the highlights of last year was the second Staff Conference in March 2019. This showcased the work of various hospice departments, focusing on Leadership, a PCSS training programme in March and a presentation at the Tavistock and Portman Hospital. Approximately 70 staff attended the day and it was evaluated very positively and was seen to motivate and encourage staff.

The introduction of the Bradford tool to manage sickness has proved effective and we will be working towards 3.5% overall sickness absence rates over the next three years. The overall sickness rate for the year was 3.9%.

Continued training through the Management Development Programme combined with open staff and volunteer forums and staff presentations has enabled communication about how the organisation is performing and embed volunteers in to services.

We have continued the opportunities for reflecting on the emotional impact of the work of the hospice through directly employing Clinical Supervisors, available regularly to provide a flexible range of individual and small group sessions, as well as the Schwartz Round. This is a well-tested mechanism to bring all parts of the organisation together (Clinical and Non Clinical) on a monthly basis to witness the experience of delivering challenging services.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019 (Continued)**

FINANCIAL REVIEW OF THE YEAR

Total incoming resources were £9.42 million in the year ended 31 March 2019, compared with £12.38 million in the year ended 31 March 2018. Total donations and fundraising were 12.2% lower at £1.70 million. Within this total, unrestricted donations of £1.62 million decreased by 14.6%. Restricted donations were £85K in 2019, £40K higher than the previous year.

Legacy income of £1.39 million in 2019 was £2.79 million (66.8%) lower than the previous year. Legacy receipts fluctuate from year to year and are unpredictable.

Investment income was higher by 8.4% to £275K and overall, including gains in the value of the Hospice's portfolio of investments of £870K, represents a return of 9.8% (2018: 1.8%).

Other trading activities reflect the Charity shops operations, made up of Charity shops sales of £1.75 million (2018: £2.04 million), Donations of agency sales and Gift Aid of £795K (2018: £695K) and Rental income of £11K (2018: £9K). However, at year ended 31 March 2019, there were £113K more agency sales (2018: £76K less) pending conversion to donations. Adjusting for this timing difference income from the Charity shops operations remained at the same level as in previous year at £2.66 million.

In addition to the restricted grant from Betty Messenger Charitable Foundation of £101K, core NHS grant income increased by £113K. Restricted grants of £359K were received towards the direct cost of providing Palliative Care Support Service and £596K towards the cost of operating the Haringey Community Team. The core grant income increased by 7.4% to £2.39 million for the year ended 31 March 2019.

Total resources expended were £10.98 million, compared with £10.16 million in the previous year. The net increase in expenditure reflects the increase in activity in the Community Teams, including over-night cover, general cost of inflation and staff pay settlement.

Net outgoing resources including investment gains amounted to £695K compared with net incoming resources of £2.16 million in the previous year. This represents a decrease of £2.85 million compared with the previous year. The net expenditure was £983K on unrestricted funds (i.e. ongoing operations) in the current year compared with a surplus of £2.15 million in the prior year. Budgeted deficit in the year ended 31 March 2020 and forecast deficits in the following two years again reinforces the need for caution about the Hospice's financial position into the medium term.

World stock markets rebounded in the last quarter and finished the year higher than at the start of the year, our investments reflecting this, ended the year with a net gain of £870K.

A decrease in the London Pensions Fund Authority actuarial valuation deficit has resulted in the write-back of £122K in the current year.

Including the investment and actuarial gains, there was a net decrease by £573K in total funds on the balance sheet and unrestricted general funds decreased by £656K.

During the year the hospice utilised the help of over 750 volunteers across all services. The value of this work is difficult to quantify but is crucial to continuing the work of the hospice at its current level

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019 (Continued)

OPERATIONAL OBJECTIVES – 2018/19

A number of specific operational objectives were agreed for 2018/2019:

All Services

Objective: Aim to care for 2,495 patients during the year.

Counting once, there were 2,656 patients cared for in total by one or more of our services during the year. The number is significantly more when patient admissions to each of the services is counted separately.

Inpatient Unit

Objective: Aim to care for 360 patient admissions and maintain 80% occupancy.

We cared for 334 patients with 348 admissions during the year. The number of admissions is higher than last year but below the target of 360 with occupancy of 5,010 bed days representing 77.6% of available capacity.

Community Teams

Objectives: Aim to care for 1,525 new patients; 9,100 face to face contacts and 64% of patients to be able to die at home.

The Community Teams cared for 2,244 patients of which 1,574 were new patients, in their homes with 9,902 face to face contacts. Of the Community Team patients 64% were able to die in their own homes, an increase from 61% last year. Hospital deaths have reduced from 19% last year to 17%.

Health & Wellbeing Services

Objective: Aim to care for 240 new patients and achieve 1,440 group attendances.

We saw 220 new patients in Health & Wellbeing with 1,926 group activity attendances. We supported patients in our Therapies Services with 2,476 one to one appointments including 175 sessions with the doctors, 635 nurse sessions, 882 complimentary therapy sessions, 180 psychological sessions, 162 art therapy sessions, 377 occupational and physio therapy sessions and 65 appointments with social workers.

Palliative Care Support Service

Objective: Aim to care for 400 patients and provide 22,840 hours of care.

Palliative Care Support Service (PCSS) provided care to 338 patients totalling 10,824 hours of direct care to patients in their own homes, falling short of our ambitious target and from previous year.

POSITION OF THE CHARITY AT THE END OF THE YEAR

The unrestricted general fund at the year-end represented some 15.3 months of unrestricted expenditure and complies with the trustees' revised reserves policy of holding at least 9 months of unrestricted expenditure.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019 (Continued)**

OPERATIONAL OBJECTIVES - 2019/20

The following, specific operational objectives were agreed for 2019/20:

All Services

Objective: We expect to care for about 3,395 patients during the year.

Inpatient Unit

Objective: Aim for 360 patient admissions and 80% occupancy.

Community Teams

Objectives: Aim to care for 2,485 new patients.
Aim to achieve a 65% home death rate.

Health & Wellbeing Services

Objective: Aim to care for 200 new patients and achieve 1,840 group attendances.

Palliative Care Support Service

Objective: Aim to care for 400 patients and provide 22,840 hours of care.

PRINCIPAL RISKS AND UNCERTAINTIES

There is still ongoing uncertainty about levels of future NHS funding for hospices and the possible effects of more competition within the NHS for the provision of end of life care.

The Hospice continue to take steps to improve voluntary donations and fundraising income. The current economic climate, increased competition for the same resources and changes in fundraising regulations has meant that the external trend of donations is downwards and raising voluntary income will be hard for many years to come. Availability of sufficient able bodied volunteers and increased competition from other charity shops continue to impact charity shops performance and decline in results from some individual shops reflecting localised changes in external environment raise some concerns in relation to the possibility of increasing income from this source in the medium term.

Internal and external drivers which affect Hospice staffing levels increase the risk from staff sickness and increased staff turnover resulting in higher costs and a failure to achieve a level of care expected by service users and Commissioners.

The general uncertainty in the funding streams with increased reliance on legacy income which is unpredictable and the planned investment from reserves to improve the infrastructure and the upward trend in our baseline cost may result in unrestricted general fund falling. While reductions in services would be avoided if at all possible, increases in income levels remain crucial to the ongoing operation and development of the Hospice.

Approved by the Board of Trustees on 23 July 2019 and signed on its behalf by:



ELISABETH B. JONES
Chairman



GEOFFREY S. HILL
Company Secretary and
Honorary Treasurer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH LONDON HOSPICE

Opinion

We have audited the accounts of North London Hospice (the 'parent charitable company') and its subsidiary company (the 'group') for the year ended 31st March 2019 which comprise the consolidated statement of financial activities, including the consolidated income and expenditure account, the balance sheets, the statements of cash flow and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31st March 2019, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts 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 accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Continued.....

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH LONDON HOSPICE
(Continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report and the strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the strategic report and the trustees' annual 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 group and parent 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' annual 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's accounts are not in agreement with the accounting records and returns;
- 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 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

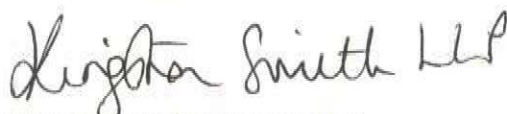
Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts 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 opinion we have formed.



Karen Wardell (Senior Statutory Auditor)
 for and on behalf of
 Kingston Smith LLP Chartered Accountants
 Statutory Auditor

Orbital House
 20 Eastern Road
 Romford
 Essex RM1 3PJ

30 August 2019

NORTH LONDON HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES,
INCLUDING THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

<u>FOR THE YEAR ENDED:</u>		<u>31ST MARCH 2019</u>			<u>2018</u>
		<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Endowment funds</u>	<u>Total funds</u>
Income:					
Donations and fundraising		1,618,764	85,458	-	1,704,222
Legacies		1,391,014	-	-	1,391,014
Charitable activities					
Grants	4	2,386,658	1,056,186	-	3,442,844
Other trading activities					
Charity shops sales		1,754,643	-	-	1,754,643
Donated agency sales		795,477	-	-	795,477
Rental income		10,638	-	-	10,638
Investment income	5	201,187	-	73,553	274,740
Other		41,895	-	-	41,895
Total income		8,200,276	1,141,644	73,553	9,415,473
Expenditure:					
Raising funds					
Fundraising and promotion	6	754,408	-	-	754,408
Charity shops expenditure	7	1,874,593	-	-	1,874,593
Investment manager's fees		53,886	-	-	53,886
Charitable activities					
Cost of operation of hospice	8	7,167,215	1,023,458	73,550	8,264,223
Other					
Interest on loan from The Governors of the Peabody Donation Fund		33,367	-	-	33,367
Total expenditure		9,883,469	1,023,458	73,550	10,980,477
Net gains/(losses)	12	666,328	-	203,465	869,793
Net (expenditure)/income before transfers		(1,016,865)	118,186	203,468	(695,211)
Transfers between funds	18	33,868	(33,868)	-	-
Net (expenditure)/income after transfers		(982,997)	84,318	203,468	(695,211)
Other recognised gains					
Actuarial gains on defined benefit pension scheme	16	122,000	-	-	122,000
Net movement in funds		(860,997)	84,318	203,468	(573,211)
Reconciliation of funds:					
Total funds brought forward, 1st April 2018		19,958,592	15,022	2,426,834	22,400,448
Total funds carried forward, 31st March 2019		£ 19,097,595	99,340	2,630,302	21,827,237

All incoming resources and resources expended derive from continuing activities.

The consolidated statement of financial activities includes all gains and losses recognised in the year.

The detailed comparative information for the statement of financial activities is included at note 23.

The attached notes form part of these accounts.

NORTH LONDON HOSPICEBALANCE SHEETS

31ST MARCH

	Note	Group		Company	
		2019	2018	2019	2018
Fixed assets:					
Tangible assets	11	7,905,011	8,076,539	7,905,011	8,076,539
Investments	12	11,694,034	10,557,623	11,699,034	10,562,623
Total fixed assets		19,599,045	18,634,162	19,604,045	18,639,162
Current assets:					
Debtors	13	1,898,988	4,224,706	1,898,988	4,224,706
Cash on deposit		2,854,325	1,866,351	2,852,866	1,864,988
Cash on current account and in hand		162,098	199,153	161,998	199,053
Total current assets		4,915,411	6,290,210	4,913,852	6,288,747
Liabilities:					
Creditors: amounts falling due within one year	14	908,298	656,370	911,687	659,907
Net current assets		4,007,113	5,633,840	4,002,165	5,628,840
Total assets less current liabilities		23,606,158	24,268,002	23,606,210	24,268,002
Creditors: amounts falling due after more than one year	15	1,398,921	1,365,554	1,398,921	1,365,554
Net assets excluding pension liability		22,207,237	22,902,448	22,207,289	22,902,448
Defined benefit pension scheme liability	16	380,000	502,000	380,000	502,000
Total net assets	£	21,827,237	22,400,448	21,827,289	22,400,448
The funds of the charity:					
Endowment funds	17	2,630,299	2,426,834	2,630,299	2,426,834
Restricted income funds	18	99,340	15,022	99,340	15,022
Unrestricted funds					
Designated fund	19	6,506,090	6,710,985	6,506,090	6,710,985
General fund		12,591,508	13,247,607	12,591,560	13,247,607
Total charity funds	£	21,827,237	22,400,448	21,827,289	22,400,448

Approved for issue by the Board of Trustees on 23 July 2019 and signed on its behalf by:-



ELISABETH B. JONES (Chairman)



GEOFFREY S. HILL (Honorary Treasurer)

The attached notes form part of these accounts.

Company Registration Number: 1654807

NORTH LONDON HOSPICE

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED:	31ST MARCH			
	Group		Company	
	2019	2018	2019	2018
Net cash provided by/(used in) operating activities	1,120,680	(561,391)	1,120,587	(561,361)
Cash flows from investing activities				
Investment income				
Income from UK listed investments	266,618	250,979	266,618	250,979
Interest receivable	8,122	2,532	8,119	2,531
Purchases of tangible fixed assets	(177,883)	(151,849)	(177,883)	(151,849)
Purchases of fixed asset investments	(266,618)	(250,979)	(266,618)	(250,979)
Receipts from disposals of fixed asset investments	-	1,500,000	-	1,500,000
Cash (used in)/provided by investing activities	(169,761)	1,350,683	(169,764)	1,350,682
Increase in cash and cash equivalents in the year	950,919	789,292	950,823	789,321
Cash and cash equivalents at the beginning of the year	2,065,504	1,276,212	2,064,041	1,274,720
Cash and cash equivalents at the end of the year	£ 3,016,423	2,065,504	3,014,864	2,064,041
Reconciliation of net movement in funds to net cash flow from operating activities				
Net movement in funds	(573,211)	2,269,410	(573,159)	2,269,410
Investment income				
Income from UK listed investments	(266,618)	(250,979)	(266,618)	(250,979)
Interest receivable	(8,122)	(2,532)	(8,119)	(2,531)
Depreciation	349,411	324,936	349,411	324,936
Interest payable	33,367	44,160	33,367	44,160
Net (gains)/losses on investments	(869,793)	61,737	(869,793)	61,737
Actuarial gains on defined benefit pension scheme	(122,000)	(110,000)	(122,000)	(110,000)
Decrease/(increase) in debtors	2,325,718	(2,818,586)	2,325,718	(2,818,586)
Increase/(decrease) in creditors	251,928	(79,537)	251,780	(79,508)
Net cash provided by/(used in) operating activities	£ 1,120,680	(561,391)	1,120,587	(561,361)
Analysis of cash and cash equivalents				
Bank deposit accounts (less than three months)	2,854,325	1,866,351	2,852,866	1,864,988
Bank current accounts	160,061	197,348	159,961	197,248
Cash in hand	2,037	1,805	2,037	1,805
Total	£ 3,016,423	2,065,504	3,014,864	2,064,041

NORTH LONDON HOSPICEACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2019Company information

North London Hospice is a company limited by guarantee incorporated in England and Wales. The registered office is 47 Woodside Avenue, London, N12 8TF

a) Basis of preparation of accounts and assessment of going concern

The accounts have been prepared under the historical cost convention with the exception of investments which are included at their market value. The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Companies Act 2006 and Charities Act 2011.

The accounts are prepared in sterling, which is the functional currency of the company.

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

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

North London Hospice meets the definition of a public benefit entity under FRS 102.

b) Group accounts

The accounts consolidate the results of the charity and its wholly owned subsidiary company, North London Hospice (Trading) Limited, on a line-by-line basis. A separate statement of financial activities and income and expenditure account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

c) 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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the accounts.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

Endowment funds are capital funds that must be retained for the benefit of the charity. The use of income arising from these capital sums may be subject to restrictions.

Investment income, gains and losses are allocated to the appropriate fund.

d) Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations are accounted for when received by the charity. Tax reclaimed in respect of Gift Aid is accounted for on an accruals basis. Tangible assets donated are included in the accounts at their market value. Goods donated to fundraising shops are included in the accounts when sold. The charity also receives the benefit of work carried out by volunteers, the value of which cannot be quantified.

Grant and service level agreement income is recognised in the period to which the income relates.

Income from investments has been taken into the accounts when receivable. Interest receivable has been accounted for on an accruals basis.

NORTH LONDON HOSPICEACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2019 (Continued)e) Expenditure and irrecoverable value added tax

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Staff and other costs are allocated directly to the activity for which they are incurred. Costs of raising funds comprises the costs associated with attracting voluntary income and the costs of operating the charity's shops.

Charitable activities expenditure comprises those costs incurred in the delivery of hospice services. It includes both costs that can be directly allocated and those of an indirect nature necessary to support them including governance costs.

Not all value added tax is recoverable. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

f) Capitalisation and depreciation

The trustees have adopted the policy that small items of expenditure, being those less than £500, of a capital nature are not capitalised but are included in resources expended.

Freehold land is not depreciated. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2% straight-line
Furniture, fixtures, fittings and medical equipment	-	20% straight-line
Motor vehicles	-	25% straight-line
Refurbishment	-	10% straight-line

g) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

h) Stocks

Stocks of donated goods to fundraising shops are not reflected in the accounts because the trustees consider it is impracticable to be able to assess the amount of donated goods until sale as there are no systems in place which record these items until they are sold and undertaking a stock take would incur undue cost for the charity which far outweighs the benefits.

i) Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid.

j) Cash at bank and in hand

Cash at bank and 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.

NORTH LONDON HOSPICEACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2019 (Continued)k) Creditors and provisions

Creditors and provisions 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.

l) Financial instruments

The charity 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.

m) Pensions

The charity contributes to defined benefit and defined contribution schemes on behalf of its employees.

The assets of the defined benefit schemes are held separately from those of the Hospice by the National Health Service Superannuation Scheme and the Local Government Pension Scheme.

The assets of the National Health Service Superannuation Scheme cannot be identified on a consistent and reasonable basis. Contributions to the scheme are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the charity. The contributions are determined by qualified actuaries on the basis of periodic valuations.

Local Government Pension Scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately on the face of the balance sheet.

The amounts included in expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested, that is, where entitlement to benefits has become unconditional. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately.

Defined contribution scheme pension costs charged in the accounts represent the amounts payable to the scheme in respect of the year. Where employees' wages and salaries are allocated to unrestricted or restricted funds, the pension costs relating to those employees, and any associated liabilities, are allocated to the same funds.

n) Operating leases

Rental costs under operating leases are charged in the accounts in equal annual instalments over the period of the leases.

NORTH LONDON HOSPICE

NOTES TO THE ACCOUNTS - 31ST MARCH 2019

1. Legal status

North London Hospice is a company limited by guarantee and has no share capital. It is registered in England and Wales. The members of the company are the trustees named on page 1, of which there were 11 at 31st March 2019 (2018 - 12 members). In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the tangible fixed assets and accounting policy f) for the useful economic lives for each class of asset.

3. Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary, North London Hospice (Trading) Limited, a company registered in England and Wales, company number 2268094, whose principal activity during the year was the selling of goods on behalf of the public for commission, following which the owners are invited to make a donation to North London Hospice.

The summary financial performance of the charity alone is:

	<u>2019</u>	<u>2018</u>
Income	9,415,470	12,387,586
Expenditure	(10,980,422)	(10,166,439)
	(1,564,952)	2,221,147
Net gains/(losses) on investments	869,793	(61,737)
Net (expenditure)/income	(695,159)	2,159,410
Actuarial gains on defined benefit pension scheme	122,000	110,000
Net movement in funds	(573,159)	2,269,410
Total funds brought forward	22,400,448	20,131,038
Total funds carried forward	£ 21,827,289	22,400,448
Represented by:		
Endowment funds	2,630,299	2,426,834
Restricted income funds	99,340	15,022
Unrestricted funds		
Designated fund	6,506,090	6,710,985
General fund	12,591,560	13,247,607
	£ 21,827,289	22,400,448

NORTH LONDON HOSPICE

NOTES TO THE ACCOUNTS - 31ST MARCH 2019 (Continued)

	Unrestricted funds	Restricted funds	Endowment funds	Total
4. <u>Grants</u>				
<i>Year ended 31st March 2019</i>				
<u>Group and company</u>				
Barnet Clinical Commissioning Group	1,087,747	200,000	-	1,287,747
Enfield Clinical Commissioning Group	1,132,322	159,135	-	1,291,457
Haringey Clinical Commissioning Group	102,272	-	-	102,272
NHS Partial Offset of Pensions Costs	64,317	-	-	64,317
North Middlesex Hospital NHS Trust	-	596,273	-	596,273
Betty Messenger Funding	-	100,778	-	100,778
	<u>£ 2,386,658</u>	<u>1,056,186</u>	<u>-</u>	<u>3,442,844</u>
<i>Year ended 31st March 2018</i>				
<u>Group and company</u>				
Barnet Clinical Commissioning Group	1,010,004	200,000	-	1,210,004
Enfield Clinical Commissioning Group	1,052,382	154,500	-	1,206,882
Haringey Clinical Commissioning Group	98,112	-	-	98,112
NHS Partial Offset of Pensions Costs	62,444	-	-	62,444
North Middlesex Hospital NHS Trust	-	499,850	-	499,850
Macmillan Cancer Care	-	151,527	-	151,527
	<u>£ 2,222,942</u>	<u>1,005,877</u>	<u>-</u>	<u>3,228,819</u>
5. <u>Investment income</u>				
<i>Year ended 31st March 2019</i>				
<u>Group</u>				
Income from UK listed investments	193,736	-	72,882	266,618
Interest receivable	7,451	-	671	8,122
	<u>£ 201,187</u>	<u>-</u>	<u>73,553</u>	<u>274,740</u>
Of the total above, £274,737 relates to the company.				
<i>Year ended 31st March 2018</i>				
<u>Group</u>				
Income from UK listed investments	183,953	-	67,026	250,979
Interest receivable	2,448	-	84	2,532
	<u>£ 186,401</u>	<u>-</u>	<u>67,110</u>	<u>253,511</u>
Of the total above, £253,510 relates to the company.				

NORTH LONDON HOSPICE

NOTES TO THE ACCOUNTS - 31ST MARCH 2019 (Continued)

	Unrestricted funds	Restricted funds	Endowment funds	Total
6. <u>Fundraising and promotion</u>				
<i>Year ended 31st March 2019</i>				
<u>Group and company</u>				
Staff costs	594,651	-	-	594,651
Other costs	159,757	-	-	159,757
£	754,408	-	-	754,408
<i>Year ended 31st March 2018</i>				
<u>Group and company</u>				
Staff costs	584,838	-	-	584,838
Other costs	179,805	-	-	179,805
£	764,643	-	-	764,643
7. <u>Charity shops expenditure</u>				
<i>Year ended 31st March 2019</i>				
<u>Group</u>				
Staff costs	1,005,337			1,005,337
Other costs	312,189			312,189
Rents paid under operating leases	504,181			504,181
Rates and water	48,974			48,974
Depreciation	3,912			3,912
	1,874,593	-	-	1,874,593
<u>Company</u>				
Other costs	-	-	-	-
£	1,874,593	-	-	1,874,593
<i>Year ended 31st March 2018</i>				
<u>Group</u>				
Staff costs	1,043,112	-	-	1,043,112
Other costs	243,207	-	-	243,207
Rents paid under operating leases	481,381	-	-	481,381
Rates and water	50,875	-	-	50,875
Depreciation	3,912	-	-	3,912
	1,822,487	-	-	1,822,487
<u>Company</u>				
Other costs	5,058	-	-	5,058
£	1,827,545	-	-	1,827,545

NORTH LONDON HOSPICE

NOTES TO THE ACCOUNTS - 31ST MARCH 2019 (Continued)

	Unrestricted funds	Restricted funds	Endowment funds	Total
8. <u>Cost of operation of hospice</u>				
<i>Year ended 31st March 2019</i>				
<u>Group</u>				
Direct costs				
Hospice staff costs	4,690,658	981,972	73,550	5,746,180
Catering and cleaning services	97,140	1,000	-	98,140
Other medical costs	145,592	1,100	-	146,692
Support costs				
Support staff costs	957,155	16,309	-	973,464
Premises costs	348,011	3,472	-	351,483
Other costs	563,860	19,605	-	583,465
Depreciation	345,499	-	-	345,499
Governance costs (see Note 9)	19,300	-	-	19,300
	<u>£ 7,167,215</u>	<u>1,023,458</u>	<u>73,550</u>	<u>8,264,223</u>

Of the total above £8,264,168 relates to the company.

Year ended 31st March 2018

<u>Group</u>				
Direct costs				
Hospice staff costs	4,230,947	979,856	67,110	5,277,913
Catering and cleaning services	86,355	1,308	-	87,663
Other medical costs	141,820	14,680	-	156,500
Support costs				
Support staff costs	823,155	15,191	-	838,346
Premises costs	309,081	5,317	-	314,398
Other costs	461,699	25,374	-	487,073
Depreciation	321,024	-	-	321,024
Governance costs (see Note 9)	16,956	-	-	16,956
	<u>£ 6,391,037</u>	<u>1,041,726</u>	<u>67,110</u>	<u>7,499,873</u>

Of the total above £7,499,166 relates to the company.

Support costs including governance costs incurred relating to fundraising and promotion and charity shops are immaterial. Consequently all support costs are included in the cost of operation of hospice.

NORTH LONDON HOSPICE

NOTES TO THE ACCOUNTS - 31ST MARCH 2019 (Continued)

	Unrestricted funds	Restricted funds	Endowment funds	Total
9. <u>Governance costs</u>				
<i>Year ended 31st March 2019</i>				
<u>Group and company</u>				
Auditors' remuneration	11,200	-	-	11,200
Accountancy fees	8,100	-	-	8,100
	<hr/>	<hr/>	<hr/>	<hr/>
£ 19,300	-	-	19,300	
<i>Year ended 31st March 2018</i>				
<u>Group and company</u>				
Auditors' remuneration	10,000	-	-	10,000
Accountancy fees	6,956	-	-	6,956
	<hr/>	<hr/>	<hr/>	<hr/>
£ 16,956	-	-	16,956	

10. Staff costs, trustee remuneration and expenses and the cost of key management personnel

	2019	2018
<u>Group and company</u>		
Wages and salaries	7,386,623	6,860,670
Social security costs	584,292	563,506
Pension costs	348,715	320,033
	<hr/>	<hr/>
£ 8,319,630	7,744,209	

The charity operates both defined benefit and defined contribution schemes for its employees, the pension charge for the year is shown above. At the balance sheet date £47,693 (2018 - £36,142) was accrued for pension costs.

Analysis by function:

Hospice services	5,746,179	5,277,913
Fundraising and promotion	594,651	584,838
Shops	1,005,336	1,043,112
Support	973,464	838,346
	<hr/>	<hr/>
£ 8,319,630	7,744,209	

The number of higher paid employees was:

	2019 Number	2018 Number
£60,000 to £70,000	2	3
£70,000 to £80,000	2	1
£80,000 to £90,000	1	-
£90,000 to £100,000	-	-
£100,000 to £110,000	1	1
£110,000 to £120,000	-	1
	<hr/>	<hr/>

NORTH LONDON HOSPICE

NOTES TO THE ACCOUNTS - 31ST MARCH 2019 (Continued)

10. Staff costs, trustee remuneration and expenses and the cost of key management personnel (continued)

Contributions were made to a defined benefit scheme for two (2018 - three) higher paid employees and to a defined contribution scheme for three (2018 - three) higher paid employees. Total contributions in the year amounted to £32,370 (2018 - £33,863).

No trustees have received any remuneration in respect of their services or had any expenses reimbursed (2018 - the same).

The average number of employees, analysed by function, was:

	<u>2019</u> <u>Number</u>	<u>2018</u> <u>Number</u>
Hospice services	106	102
Fundraising and promotion	11	11
Shops	37	40
Support	23	21
	<u>177</u>	<u>174</u>

The staff costs and numbers of employees do not include any allowance for the work carried out for the Hospice by over 750 volunteers. The value of this work cannot be quantified.

The key management personnel of the group and company are the trustees and the executive team, comprising the Chief Executive, the Medical Director, the Commercial and Finance Director, the Director of Fundraising and Communications, the Director of Patient and Family Support and the Director of Clinical Services. The employee benefits of the key management personnel totalled £556,408 (2018 - £560,524).

11. Tangible fixed assetsGroup and company

	<u>Freehold land</u> <u>and buildings</u>	<u>Furniture,</u> <u>fixtures and</u> <u>fittings</u>	<u>Medical</u> <u>equipment</u>	<u>Motor</u> <u>vehicles</u>	<u>Refurbishment</u>	<u>Total</u>
Cost						
At 1st April 2018	10,176,073	1,730,140	338,583	120,254	250,549	12,615,599
Additions	4,704	146,320	26,859	-	-	177,883
Disposals	-	(25,389)	-	-	-	(25,389)
At 31st March 2019	<u>10,180,777</u>	<u>1,851,071</u>	<u>365,442</u>	<u>120,254</u>	<u>250,549</u>	<u>12,768,093</u>
Depreciation						
At 1st April 2018	2,555,710	1,534,040	279,903	113,754	55,653	4,539,060
Charge for the year	175,769	112,177	32,498	3,912	25,055	349,411
On disposals	-	(25,389)	-	-	-	(25,389)
At 31st March 2019	<u>2,731,479</u>	<u>1,620,828</u>	<u>312,401</u>	<u>117,666</u>	<u>80,708</u>	<u>4,863,082</u>
Net book values						
At 31st March 2019	<u>£ 7,449,298</u>	<u>230,243</u>	<u>53,041</u>	<u>2,588</u>	<u>169,841</u>	<u>7,905,011</u>
At 31st March 2018	<u>£ 7,620,363</u>	<u>196,100</u>	<u>58,680</u>	<u>6,500</u>	<u>194,896</u>	<u>8,076,539</u>

Freehold land and buildings includes buildings with a cost of £8,769,618 (2018 - £8,764,914) that are being depreciated.

Freehold land and buildings have not been revalued. The trustees consider that there is no advantage in obtaining a valuation as the land and buildings are used exclusively for charitable purposes.

All assets are held for charitable use.

NORTH LONDON HOSPICE

NOTES TO THE ACCOUNTS - 31ST MARCH 2019 (Continued)

12. Fixed asset investments	2019	2018
<u>Group</u>		
Listed investments:		
Market value at 1st April 2018	10,557,623	11,868,381
Additions at cost	266,618	250,979
Disposals at carrying value	-	(1,500,000)
Net gains/(losses) on investments	869,793	(61,737)
Market value at 31st March 2019	11,694,034	10,557,623
<u>Company</u>		
Cost of shares in subsidiary company:		
North London Hospice (Trading) Limited	5,000	5,000
£	11,699,034	10,562,623

The historical cost of the listed investments as at 31st March 2019 was £8,708,909 (2018 - £8,538,579).

At 31st March 2019 the listed investments all related to UK equities listed on the International Stock Exchange, London.

At 31st March 2019 UK equities comprised:

	Market value £	Cost £
6,540,143.45 units in the Newton Growth Fund for Charities	8,940,375	6,711,438
2,035,675.82 units in the Newton Global Growth & Income Fund for Charities	2,753,659	1,997,471
£	11,694,034	8,708,909

The Hospice owns 100% of the ordinary share capital of North London Hospice (Trading) Limited, a company registered in England and Wales, company number 2268094.

Until 31st March 2018 North London Hospice (Trading) Limited sold goods on behalf of the public for commission, following which the owners were invited to donate the proceeds to the charity under the gift aid scheme. Since 1st April 2018 this has been dealt with directly by the charity. During the year ended 31st March 2019 North London Hospice (Trading) Limited received commissions on goods sold of £nil (2018 - £5,058), received bank interest of £3 (2018 - £1) and incurred expenditure of £55 (2018 - £3,742).

The assets and liabilities of North London Hospice (Trading) Limited are as follows:

	2019	2018
Debtor: amount falling due within one year	3,389	210,590
Cash at bank	1,559	1,463
Creditors: amounts falling due within one year	-	(207,053)
Net assets	£ 4,948	5,000

NORTH LONDON HOSPICE

NOTES TO THE ACCOUNTS - 31ST MARCH 2019 (Continued)

13. Debtors

	<u>Group and company</u>	
	<u>2019</u>	<u>2018</u>
VAT recoverable	69,844	58,043
Other debtors	736,657	586,331
Prepayments and accrued income	1,092,487	3,580,332
	<u>£ 1,898,988</u>	<u>4,224,706</u>

Prepayments and accrued income includes measurable legacies committed to North London Hospice as at 31st March 2019, but which were not received by that date, amounting to £756,589 (2018 - £3,261,313).

14. Creditors: amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Expense creditors	317,210	213,113	317,210	213,113
Amount owed to subsidiary company	-	-	3,389	210,590
Taxation and social security	160,314	157,014	160,314	157,014
Other creditors	319,696	207,053	319,696	-
Accruals and deferred income	111,078	79,190	111,078	79,190
	<u>£ 908,298</u>	<u>656,370</u>	<u>911,687</u>	<u>659,907</u>

15. Creditors: amounts falling due after more than one year

	<u>Group and company</u>	
	<u>2019</u>	<u>2018</u>
Loan - The Governors of the Peabody Donation Fund (secured) (including rolled up interest of £898,921 (2018 - £865,554))	<u>£ 1,398,921</u>	<u>1,365,554</u>

The loan, the principal sum of which is £500,000, is secured by a charge over certain freehold land owned by the Hospice and only becomes repayable, together with interest thereon equivalent to the drop in real value of the principal sum due to inflation between 30th June 1987 and the date of repayment, in certain eventualities, the main ones being in the event of liquidation or if the building is used for any purpose other than a hospice.

16. Defined benefit pension scheme liability

Group and company

The charity is a member of the London Government Pension Scheme, a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2007/08. The scheme is contracted out of the State Second Pension and currently provides benefits based on final salary and length of service on retirement. Changes to the scheme came into effect from 1st April 2014 and any benefits accrued from this date will be based on career average revalued salary, with various protections in place for those members in the scheme before the changes take effect. The assets of the scheme are held separately from those of the charity.

The most recent actuarial valuation of the scheme was as at 31st March 2016.

	<u>2019</u>	<u>2018</u>
Net liability at 1st April 2018	502,000	612,000
Amount credited to the statement of financial activities, being actuarial gains	(122,000)	(110,000)
Net liability at 31st March 2019	<u>£ 380,000</u>	<u>502,000</u>
The amount included in the balance sheet comprises:		
Present value of funded obligation	2,156,000	2,177,000
Deduct: Fair value of scheme assets	(1,776,000)	(1,675,000)
Net liability in the balance sheet	<u>£ 380,000</u>	<u>502,000</u>

The charity has given a fixed charge over one of its freehold properties in favour of The London Pensions Fund Authority in respect of this net liability.

NORTH LONDON HOSPICE

NOTES TO THE ACCOUNTS - 31ST MARCH 2019 (Continued)

16. Defined benefit pension scheme liability (continued)

The amount recognised in the statement of financial activities in respect of the year ended 31st March 2019 is:

	2019	2018
Service cost	12,000	12,000
Net interest on the defined liability	13,000	14,000
Administration expenses	2,000	2,000
Total loss	£ 27,000	28,000

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Opening defined benefit obligation	2,177,000	2,253,000
Current service cost	12,000	12,000
Interest cost	54,000	53,000
Change in financial assumptions	76,000	(78,000)
Change in demographic assumptions	(104,000)	-
Estimated benefits paid net of transfers in	(61,000)	(65,000)
Contributions by scheme participants	2,000	2,000
Closing defined benefit obligation	£ 2,156,000	2,177,000

Reconciliation of opening and closing balances of the fair value of fund assets

Opening fair value of fund assets	1,675,000	1,641,000
Interest on assets	41,000	39,000
Return on assets less interest	110,000	50,000
Administration expenses	(2,000)	(2,000)
Contributions by employer including unfunded	11,000	10,000
Contributions by fund participants	2,000	2,000
Estimated benefits paid plus unfunded net of transfers in	(61,000)	(65,000)
Closing fair value of fund assets	£ 1,776,000	1,675,000

NORTH LONDON HOSPICE

NOTES TO THE ACCOUNTS - 31ST MARCH 2019 (Continued)

16. Defined benefit pension scheme liability (continued)

At 31st March 2019 the assumed life expectancy from age 65 are:

	<u>Years</u>
Retiring today	
Males	20.3
Females	24.3
Retiring in 20 years	
Males	22.1
Females	26.1

Financial assumptions as at 31st March 2019

	<u>% p.a.</u>
RPI increases	3.45%
CPI increases	2.45%
Salary increases	3.95%
Pension increases	2.45%
Discount rate	2.35%

The return on the fund (on a bid value to bid value basis) for the year to 31st March 2019 is estimated to be 9%. The actual return on fund assets over the year may be different.

The estimated asset allocation for North London Hospice as at 31st March 2019 is as follows:

Equities	966,000	54%
LDI/Cashflow matching	-	n/a
Target Return Portfolio	474,000	27%
Infrastructure	107,000	6%
Commodities	-	n/a
Property	167,000	9%
Cash	62,000	4%
	<u>£ 1,776,000</u>	<u>100%</u>

NORTH LONDON HOSPICE

NOTES TO THE ACCOUNTS - 31ST MARCH 2019 (Continued)

16. Defined benefit pension scheme liability (continued)

Sensitivity analysis

		<u>+0.1%</u>	<u>0.0%</u>	<u>-0.1%</u>
Adjustment to discount rate				
Present value of total obligation	£	2,126,000	2,156,000	2,187,000
Projected service cost	£	12,000	12,000	12,000
Adjustment to long term salary increase				
Present value of total obligation	£	2,156,000	2,156,000	2,156,000
Projected service cost	£	12,000	12,000	12,000
Adjustment to pension increases and deferred revaluation				
Present value of total obligation	£	2,186,000	2,156,000	2,126,000
Projected service cost	£	12,000	12,000	12,000
Adjustment to life expectancy assumptions				
Present value of total obligation	£	2,233,000	2,156,000	2,082,000
Projected service cost	£	12,000	12,000	12,000

Remeasurements in other comprehensive income

Remeasurement of the net assets/(defined liability)

	<u>2019</u>	<u>2018</u>
Return on fund assets in excess of interest	110,000	50,000
Other actuarial gains on assets	-	-
Change in financial assumptions	(76,000)	78,000
Change in demographic assumptions	104,000	-
Experience gain on defined benefit obligation	-	-
Remeasurement of the net assets/(defined liability)	£ 138,000	128,000

Projected pension expense for the year to 31st March 2020

Service cost	12,000
Net interest on the defined liability	9,000
Administration expenses	2,000
Total loss	£ 23,000
Employer contributions	£ 11,000

NORTH LONDON HOSPICE

NOTES TO THE ACCOUNTS - 31ST MARCH 2019 (Continued)

Group and company17. Endowment funds

	Pauline Glasser Endowment	Mrs. Burgess Fund for Children	Capital Fund	Endowment Fund	Total
Balance 1st April 2018	491,721	17,000	150,000	1,768,113	2,426,834
Income	15,779	68	600	57,103	73,550
Expenditure	(15,779)	(68)	(600)	(57,103)	(73,550)
Unrealised gains	44,352	-	-	159,113	203,465
Balance 31st March 2019	£ 536,073	17,000	150,000	1,927,226	2,630,299

Pauline Glasser Endowment:

Under a trust deed dated 1st April 1993 the income of the trust fund may only be applied for the maintenance of the Hospice and for all other charitable purposes for which the North London Hospice was established. The fund is represented by fixed asset investments.

Mrs. Burgess Fund for Children:

A capital sum of £17,000 was received in June 1995. Income is used for the company's principal charitable purpose. The fund is represented by cash on deposit.

Capital Fund:

Capital sums of £150,000 were received in 1993 and 1994. Income from the fund can be used for general purposes and the fund is represented by cash on deposit.

Endowment Fund:

A capital sum of £1,280,095 was received during the year ended 31st March 2008. Income generated from the fund may be used for the Hospice's general purposes. The trustees have also agreed with the donor that part or all of the capital sum may be used on running costs should the need arise in future years in a narrow range of particular circumstances. The fund is represented by fixed asset investments.

18. Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations to be applied for specific purposes:

	Balance 1st April 2018	Income	Expenditure	Transfers between funds	Balance 31st March 2019
Community and IPU nursing fund	-	1,000	(1,000)	-	-
Day care fund	-	5,860	(5,860)	-	-
Equipment and teaching fund	-	19,015	-	(19,015)	-
Garden and building maintenance fund	-	1,625	(1,625)	-	-
Haringey Community Team	-	596,273	(596,273)	-	-
Health and wellbeing fund	-	1,225	(1,225)	-	-
IPU refurbishment project fund	6,526	6,020	(6,020)	-	6,526
Kitchen refurbishment fund	8,496	29,600	-	-	38,096
Mattresses fund	-	14,853	-	(14,853)	-
Overnight Community Service	-	100,779	(46,061)	-	54,718
PCSS fund	-	359,135	(359,135)	-	-
Triage costs	-	5,260	(5,260)	-	-
Other	-	1,000	(1,000)	-	-
£	15,022	1,141,645	(1,023,459)	(33,868)	99,340

Transfers have been made from the restricted equipment and teaching and mattresses funds since appropriate expenditure has been incurred and therefore the conditions relating to the inherent restrictions have been complied with.

NORTH LONDON HOSPICE

NOTES TO THE ACCOUNTS - 31ST MARCH 2019 (Continued)

19. Designated fund

The trustees have designated £6,506,090 (2018 - £6,710,985) as a tangible fixed assets fund. This fund represents an amount equal to the net book value of the tangible fixed assets less the creditor falling due after more than one year which is secured by a charge over certain freehold land owned by the Hospice, as it forms part of the funds the Hospice holds that are not readily available to expend on meeting its charitable objectives.

20. Analysis of net assets between funds

At 31st March 2019

Group	Tangible fixed assets	Investments	Current assets	Creditors	Pension liability	Total
Endowment funds						
Pauline Glasser Endowment	-	536,073	-	-	-	536,073
Mrs. Burgess Fund for Children	-	-	17,000	-	-	17,000
Capital Fund	-	-	150,000	-	-	150,000
Endowment Fund	-	1,927,226	-	-	-	1,927,226
Restricted funds						
IPU refurbishment project fund	-	-	6,526	-	-	6,526
Kitchen refurbishment fund	-	-	38,096	-	-	38,096
Overnight Community Service	-	-	54,718	-	-	54,718
Unrestricted funds						
Designated fund						
Tangible fixed assets fund	7,905,011	-	-	(1,398,921)	-	6,506,090
General fund	-	9,230,735	4,649,071	(908,298)	(380,000)	12,591,508
£	7,905,011	11,694,034	4,915,411	(2,307,219)	(380,000)	21,827,237
Company	Tangible fixed assets	Investments	Current assets	Creditors	Pension liability	Total
Endowment funds						
Pauline Glasser Endowment	-	536,073	-	-	-	536,073
Mrs. Burgess Fund for Children	-	-	17,000	-	-	17,000
Capital Fund	-	-	150,000	-	-	150,000
Endowment Fund	-	1,927,226	-	-	-	1,927,226
Restricted funds						
IPU refurbishment project fund	-	-	6,526	-	-	6,526
Kitchen refurbishment fund	-	-	38,096	-	-	38,096
Overnight Community Service	-	-	54,718	-	-	54,718
Unrestricted funds						
Designated fund						
Tangible fixed assets fund	7,905,011	-	-	(1,398,921)	-	6,506,090
General fund	-	9,235,735	4,647,512	(911,687)	(380,000)	12,591,560
£	7,905,011	11,699,034	4,913,852	(2,310,608)	(380,000)	21,827,289

NORTH LONDON HOSPICE

NOTES TO THE ACCOUNTS - 31ST MARCH 2019 (Continued)

20. Analysis of net assets between funds (continued)

At 31st March 2018

<u>Group</u>	<u>Tangible fixed assets</u>	<u>Investments</u>	<u>Current assets</u>	<u>Creditors</u>	<u>Pension liability</u>	<u>Total</u>
Endowment funds						
Pauline Glasser Endowment	-	491,721	-	-	-	491,721
Mrs. Burgess Fund for Children	-	-	17,000	-	-	17,000
Capital Fund	-	-	150,000	-	-	150,000
Endowment Fund	-	1,768,113	-	-	-	1,768,113
Restricted funds						
IPU refurbishment project fund	-	-	6,526	-	-	6,526
Kitchen refurbishment fund	-	-	8,496	-	-	8,496
Unrestricted funds						
Designated fund						
Tangible fixed assets fund	8,076,539	-	-	(1,365,554)	-	6,710,985
General fund	-	8,297,789	6,108,188	(656,370)	(502,000)	13,247,607
£	8,076,539	10,557,623	6,290,210	(2,021,924)	(502,000)	22,400,448
<u>Company</u>	<u>Tangible fixed assets</u>	<u>Investments</u>	<u>Current assets</u>	<u>Creditors</u>	<u>Pension liability</u>	<u>Total</u>
Endowment funds						
Pauline Glasser Endowment	-	491,721	-	-	-	491,721
Mrs. Burgess Fund for Children	-	-	17,000	-	-	17,000
Capital Fund	-	-	150,000	-	-	150,000
Endowment Fund	-	1,768,113	-	-	-	1,768,113
Restricted funds						
IPU refurbishment project fund	-	-	6,526	-	-	6,526
Kitchen refurbishment fund	-	-	8,496	-	-	8,496
Unrestricted funds						
Designated fund						
Tangible fixed assets fund	8,076,539	-	-	(1,365,554)	-	6,710,985
General fund	-	8,302,789	6,106,725	(659,907)	(502,000)	13,247,607
£	8,076,539	10,562,623	6,288,747	(2,025,461)	(502,000)	22,400,448

NORTH LONDON HOSPICENOTES TO THE ACCOUNTS - 31ST MARCH 2019 (Continued)21. Commitments under operating leases

The company is committed to make the following future minimum lease payments under non-cancellable operating leases for the use of land and buildings:

	<u>2019</u>	<u>2018</u>
Payable within one year	478,467	427,747
Payable within two to five years	909,395	1,050,832
Payable in more than five years	3,822	64,083
	<hr/>	<hr/>
£	1,391,684	1,542,662
	<hr/>	<hr/>

22. Financial instrumentsGroup

Financial assets

Financial assets measured at fair value	14,710,457	12,623,027
Financial assets that are debt instruments measured at amortised cost	1,526,158	3,875,152
	<hr/>	<hr/>

£	16,236,615	16,498,179
	<hr/>	<hr/>

Financial liabilities

Financial liabilities measured at amortised cost	£	1,247,984	999,356
		<hr/>	<hr/>

NORTH LONDON HOSPICE

NOTES TO THE ACCOUNTS - 31ST MARCH 2019 (Continued)

23. Prior year's consolidated statement of financial activities

	Unrestricted funds	Restricted funds	Endowment funds	Total funds
Income:				
Donations and fundraising	1,895,768	45,820	-	1,941,588
Legacies	4,185,998	-	-	4,185,998
Charitable activities				
Grants	2,222,942	1,005,877	-	3,228,819
Other trading activities				
Charity shops sales	2,037,771	-	-	2,037,771
Donated agency sales	695,290	-	-	695,290
Rental income	9,382	-	-	9,382
Investment income	186,401	-	67,110	253,511
Other	30,876	-	-	30,876
Total income	11,264,428	1,051,697	67,110	12,383,235
Expenditure:				
Raising funds				
Fundraising and promotion	764,643	-	-	764,643
Charity shops expenditure	1,822,487	-	-	1,822,487
Investment manager's fees	30,925	-	-	30,925
Charitable activities				
Cost of operation of hospice	6,389,562	1,043,201	67,110	7,499,873
Other				
Interest on loan from The Governors of the Peabody Donation Fund	44,160	-	-	44,160
Total expenditure	9,051,777	1,043,201	67,110	10,162,088
Net (losses)/gains on investments	(61,958)	-	221	(61,737)
Net income before transfers	2,150,693	8,496	221	2,159,410
Transfers between funds	-	-	-	-
Net income after transfers	2,150,693	8,496	221	2,159,410
Other recognised gains				
Actuarial gains on defined benefit pension scheme	110,000	-	-	110,000
Net movement in funds	2,260,693	8,496	221	2,269,410
Reconciliation of funds:				
Total funds brought forward, 1st April 2017	17,697,899	6,526	2,426,613	20,131,038
Total funds carried forward, 31st March 2018	£ 19,958,592	15,022	2,426,834	22,400,448